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NEWS SUMMARY

GENERAL

Belfast mansion left to burn

The Belfast mansion housing the National Trust headquarters in Northern Ireland was destroyed yesterday after fire swept through the building. Belfast firemen turned away from the blaze after being told that it was started by bombs and that no-one's life was at risk.

Mr. Dennis Allen, the Trust's administrative secretary in Ulster, said: "There is no question that a part of the building could have been saved if the Belfast men had started work on the fire." Part-time firemen from other brigades were called in. Later, Belfast police said that two men and a woman were being questioned.

An Ulster Defence Regiment member was murdered in Co. Londonderry and a 24-year-old Catholic was shot dead in a Belfast drinking club.

Syrians move into Beirut

Syrian troops of the Arab peace-keeping force in Lebanon are planning to continue their advance into Beirut to-day when they will attempt to penetrate the confrontation lines. Then, they will try to reopen the coastal line between Tripoli and Tyre. Israel has confirmed that its defence forces bombarded Palestinian positions inside Lebanon without crossing the border. Page 5

U.K. seeks £1bn. Saudi deal

The British Aircraft Corporation and Rolls-Royce (1971) are understood to be pursuing a contract for the maintenance and overhaul of Saudi military aircraft engines which could be worth at least £1bn. Page 7

Security man shot

A 25-year-old security man was fighting for his life after being shot at point-blank range when he foiled a £4,000 pay roll robbery at Barclays Bank, Tipton, Staffs.

1977 coins alert

Banks and shops have been asked to watch for 1977 50p and 10p pieces stolen from a sealed container in a £18,700 raid on a Cardiff to London Royal Mint train earlier this week.

Blaze kills four

Four men died when fire swept through the trawler Sioux berthed at North Shields. It is thought that the blaze started in an oven when the crew was cooking sausages.

Jubilee tour

The Queen and the Duke of Edinburgh will use the Royal yacht Britannia when they make their silver jubilee tour of the West Country next August.

Briefly . . .

Iceland and the EEC hold their first joint fishing talks on an informal basis in Reykjavik from to-day.

Only 100 Britons have booked for Cunard's QE2 annual round-the-world cruise, compared with 300 last year.

F14 Tomcat interceptor aircraft lost off the Scottish coast two months ago has been lifted above the surface in a U.S. Navy salvage operation.

Porton research worker has gone into a London isolation hospital after developing mild fever symptoms while dealing with "green monkey disease" virus.

Halesowen, West Midlands, metal finishing consultant Mr. Paul Winter, 59, has been appointed chairman of Mensa, the high IQ society.

Miss Pat Arrowsmith, pacifist campaigner, who sued Hampshire police for wrongful arrest after being detained at Aldershot, accepted a £200 out-of-court settlement.

Moscow Institute of Reflex Therapy is to study the effects of acupuncture.

BUSINESS

New gilt issues disappoint; £ lower

● GILTS market gave a muted response to the issue of £1.2bn. of new Government stocks, as prices of gilt-edged slipped back.

The public is believed to have bought £100m. to £200m. of the new 1982 stock, of which £600m. was on offer. But the new long stock, £600m. of 15¼ per cent. Treasury 1996, appears to have attracted no significant outside interest. Remaining stock was taken up by the authorities to be sold on "tap" when circumstances allow.

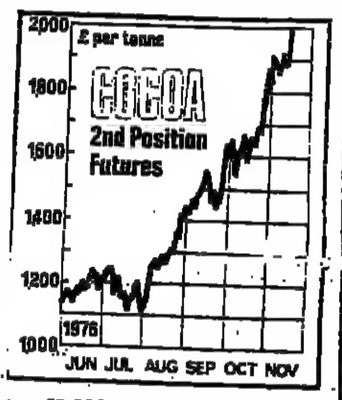
Losses among gilts ranged ½ and the FT Government Securities Index fell 0.26 to 57.50.

● EQUITIES succumbed to the general uncertainty. FT 30-Share Index, down 6.1 at 1 p.m., closed at 299.4, off 3.3 on the day.

● STERLING fell 95 points to $1.6240 and its trade-weighted depreciation widened to 46.4 (46) per cent.

● GOLD fell $2.50 to $134 on profit-taking.

● COCOA AND COFFEE prices reached new peaks in London. March cocoa futures rose £32.25 to £1,998.25. January coffee futures added £24.5 to £2,319.5. Page 35



● WALL STREET rose 7.39 to 931.43.

Industry output may be rising

● INDUSTRIAL OUTPUT in September was nearly 1½ per cent. higher than the artificially low level in August. Whitehall officials are cautious about the underlying trend. But output may be starting to rise again, though much more slowly than forecast by the Government in July. Back Page

● BRITISH STEEL Corporation is believed to have made a loss of about £50m. in the first six months of this year—a result better than expected. Page 8

● SHELL/ESSO'S Brent field in the North Sea has started to produce oil. Page 17. Shell results, Page 24 and Lex. BP's £4.2m. bid for Century Oils has been referred to the Monopolies Commission. Back Page

● MINERS' leaders rejected a ballot on possible industrial action over their claim for retirement at 60. Page 8

● FOOTWEAR Study Steering Group, which was set up by the Government, is likely to avoid recommending whether the Monopolies Commission should examine the British Shoe Corporation.

COMPANIES

● CHLORIDE proposes to raise £16.7m. with a two-for-seven rights issue at 62p. Half-year profit is £10.2m. (£7.32m.). Back Page, Page 23 and Lex

● COATS PATONS nearly doubled pre-tax profit to £31.94m. (£16.17m.) in the first half. Page 22

● BOOTS pre-tax profit rose to £37.68m. (£30.72m.) in the half-year to September 30. Page 23 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Bradford Prop.	102	+ 4
Brit. Steam Specs.	47	+ 3
Concentric	28	+ 3
Nat. Bank Aust.	257	+ 12
Office and Electronic	51	+ 4
Pork Farms	128	+ 8
Porter Chadburn	50	+ 4
Primrose	112	+ 10
Samuel Props.	27½	+ 3
Spear and Jackson	88	+ 5
Swan Hunter	41	+ 3
Turner Manf.	47	+ 5
Wolstenholme Bronze	100	+ 6
Shell Transport	394	+ 6
EZ Inds.	315	+ 10
Gopeng Cons.	235	+ 12
Malayan Tin	225	+ 13
Metramar	24	+ 4
Pancontinental	900	+ 75
Peko-Wallsend	415	+ 55
Southern Kinta	73	+ 5
Southern Malayan	185	+ 5

FALLS

Treas. 11½pc '79 "A"	£94¼	— 15/32
Treas. 13¼pc 1998	£98⅜	— ⅞
BSR	78	— 5
Chloride	77	— 10
Dowty	119	— 6
Ever Ready	96	— 4
GKN	228	— 6
Hill Samuel	71	— 4
ICI	293	— 4
Rank Org.	109	— 5
Rockware	67	— 4
Rowntree Mackintosh	168	— 8
Tube Invs.	270	— 6
Unilever	392	— 10
Century Oils	44	— 11

OECD forecasts world recession by late next year

BY OUR ECONOMICS STAFF

Officials of the 24-nation Organisation for Economic Co-operation and Development are forecasting a world recession for the second half of next year.

The forecasts, still subject to amendment before publication on December 20, are more important than normal exercises of this kind, for they are being used to back up intense diplomatic activity by high-level international officials. This activity is aimed:

● to persuade the new Carter Administration to provide a substantial stimulus for the American economy; and

● to persuade the Organisation of Petroleum Exporting Countries to moderate the increase in the price of oil at its meeting in Qatar on December 15.

The Organisation for Economic Co-operation and Development has scaled down its growth predictions for the total Gross Domestic Product of its member countries for the second half of this year, from an original estimate of 5 per cent. to one of 3.5 per cent. All figures are expressed at an annual rate.

For the first half of next year, its officials are expecting a recovery to only 4.3 per cent., compared with 5.25 per cent. expected during the last forecasting exercise in July.

But the real shock in the estimate for the second half of next year, when the growth rate is expected to be well below 4 per cent., compared with an original expectation of 5 per cent.

These figures have to be compared with an estimated growth of world productive capacity of 4 to 5 per cent. A growth rate of anything else is said to mean renewed recession and increased unemployment.

The new forecasts make no provision for increase in oil price. But OECD sources believe that an increase restricted to 10 per cent. could be accommodated; anything above would further endanger the hesitant world economic recovery.

The OECD view is a controversial one and will not be too readily accepted, for instance, by the German Bundesbank or the outgoing Ford Administration in the U.S. The underlying argument is whether the world can afford a demand stimulus when inflation averages 8 per cent. or more.

There are analysts who believe that the disappointing world recovery reflects structural weaknesses which cannot easily be remedied by larger budget deficits or faster credit expansion.

OECD officials would answer their critics by pointing to the risk of a growing divergence between successful countries, notably the U.S., West Germany and Japan, and the unsuccessful ones with weak currencies such as the U.K., Italy and to some extent France.

It is argued that this creates a danger to political stability in the West and provides an international argument for a stimulus by the stronger countries, even if on purely internal grounds they preferred to give priority to curbing inflation.

OECD countries decided earlier in the year to keep their growth rate to no more than 5.5 per cent. in the hope of avoiding overheating and commodity explosions which brought the 1972-73 expansion to a dramatic halt.

The new estimates suggest that growth now is well below the upper limit previously suggested.

One reason for low growth is that personal saving is proving

Continued on Back Page

Agreement on Rhodesian independence is near

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

GENEVA, Nov. 11.

BRITAIN is prepared to grant independence to Rhodesia within 15 months of the successful conclusion of the Geneva conference but has so far refused to name a specific date to meet that time-scale.

The naming of such a date, and the wording of a *caveat* under which Britain could extend the period of transition to 15 months but no more, is apparently the only remaining point of disagreement between Mr. Ivor Richard, the conference chairman, and the two nationalist delegations.

This afternoon Mr. Richard met the delegations, led by Mr. Joshua Nkomo and Mr. Robert Mugabe for nearly three hours. They are to meet again to-morrow morning in the hope of reaching an agreement which would end the 10-day-old stalemate and allow negotiations to move on to the formation of an interim government.

Contentious

According to reliable conference sources the basis of discussion over the past two days has been a British draft document suggesting a formula for overcoming disagreement on the independence date issue.

Significantly, the document makes no mention at all of the White Rhodesian position which suggests that Mr. Richard feels he will get, or perhaps already has got, agreement from Salisbury to a time-scale much shorter than the 23 months publicly stated here by the Rhodesian delegation.

The first few paragraphs of the eight-point British document are not contentious since they state the general concensus here that independence will be granted when all the processes already agreed—such as the drafting of a constitution and the holding of elections—have been completed.

The document states that these processes "may take up to 15 months." It pledges that Britain will grant independence "not later than 15 months from the successful end of this conference."

It goes on to note that "other delegations believe that the processes can be completed within 12 months" and declares that the chairman pledges in the name of the British Government that if the processes are completed in less time, independence will be granted earlier.

The main point of contention to-day is believed to have centred on nationalist insistance that a specific date—December 1, 1977 or 12 months from the presumed end of this conference—should be named.

The nationalists are believed to have suggested a form of words which, while accepting that independence could be delayed three months' commits Britain to accepting December 1, 1977 at the target date.

Compromise

Whether an acceptable compromise on this fairly narrow point of disagreement will be found remains to be seen. The nationalists are clearly trying to commit Britain and the Rhodesians to a target date which all parties would find psychologically difficult to break, while Britain is endeavouring not to be tied down too firmly.

Presumably Mr. Richard, if he gets agreement with the nationalists to-morrow, will then consult other nationalist groups and White Rhodesians before calling a plenary session.

If agreement can be reached, he would want to move on rapidly to discussion on the interim government, which could well be even more fraught with problems.

Italy to import 4,000 tons of EEC stockpile beef

BY DOMINICK J. COYLE

ROME, November 11.

IN A MOVE to reduce the country's serious balance of trade deficit, the Italian Government is to import 4,000 tons of low-price frozen beef from EEC stockpiles.

It will offer it for sale through retail outlets one week each month, starting in January. The Government may prohibit the sale of fresh beef on those days when frozen supplies are on offer.

Meat purchases from abroad now represent Italy's second largest import category after petroleum products. Italians consumption of beef in 1975 was 22 kilos (48 lbs) per person.

Faced with the country's worst economic depression in 30 years, the minority Christian Democrat Government of Sig. Giulio Andreotti has launched an austerity programme.

It promises, in his own words, "nothing but sacrifices equally shared by all." Its immediate aim is to reduce domestic consumption over the next 12 months by a sum equal to 2½ per cent. of Gross National Product.

To deal with a sharp decline in the value of the lira, a deteriorating balance of payments position and an official forecast for 1977 of zero growth rate and at least 20 per cent. inflation, the Andreotti Government is trying to win all-party support and the backing of the country's trade unions for its austerity package.

The Parliamentary debate on the Government's economic programme was continuing here to-night. But it is already evident that Sig. Andreotti's minority Administration will survive, through a policy of abstentions at least by the powerful Communist Party and the Socialists.

The Communists, in particular, have failed to secure their long-sought "historic compromise" or grand coalition of all Italian democratic forces. But Sig Andreotti has conceded to them a significant measure of direct consultation in the formulation of his Government programme.

The specific proposal to prohibit the sale of fresh beef for the first seven days of each month and instead, to offer housewives frozen supplies has come from Sig. Giovanni Marcora, Agriculture Minister.

He discussed his plans to the Chamber of Deputies' Commission on Agricultural Questions, although it is understood that the overall scheme has not yet been formally approved by the Cabinet.

For latest Share Index 'phone 01-246 8026

Extension of $5.3bn. loan possible

BY DAVID BELL

THERE IS a possibility now that the $5.3bn. loan made to Britain earlier this year, and due to expire in December, may be extended for a further short period.

This is to give the British Government and the International Monetary Fund more room for manoeuvre in working out terms for the Fund credit now being negotiated.

So far the negotiating team in London is understood to have spent much of its time trying to establish which Treasury projections represent hopes for the future and which are realistic. In particular, they have not been entirely satisfied with some of the estimates of the public sector borrowing requirement.

Meanwhile, sources here say that the time may now be ripe for Britain to take a new initiative on the question of the sterling balances.

It is understood that a number of industrialised countries may be interested in discussing this problem and they might be prepared eventually to advance a large new standby facility should these talks succeed, provided Britain had already agreed to stringent new IMF conditions.

But there is confusion here about what Britain actually wants. Officials say that if the U.K. wants to take up the matter of the sterling balances then it must make this much clearer.

> Mr. Arthur Burns, Federal Reserve Board chairman, said Reserve Board chairman said in Washington yesterday that he was "confident" that Britain would be granted the $3.87bn. loan it was seeking from the IMF.

'A ploy'

The position of the Americans—who provided 40 per cent. of the earlier loan—is also not clear.

There is no reason to believe that this Administration has changed its view that Britain can and should reach agreement with the IMF by the time the $5.3bn. swap agreement expires on December 9. It is not yet clear if the new Carter Administration is likely to take the same view.

It is argued in some quarters that if talk of buying more time were seen merely as a ploy to put pressure on the incoming Administration, this might backfire.

The present Government will be in office on January 20 and it has said for some time that it wants firm evidence of new British policies before it discusses other problems.

There also those, however, who

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Dockers urged by Callaghan to keep calm

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER yesterday urged dockers to keep calm as the Government sought to salvage what it could of the Dock Work Regulation Bill, effectively sabotaged in the Commons overnight in two key divisions.

But senior Ministers accepted, after a Cabinet meeting, that the damage inflicted on the Bill by the combined Opposition parties and abstentions by two Labour MPs could not be repaired in this session.

The likelihood is that the Bill which sought to give monopoly rights to dockers by extending the dock labour scheme, will have to go on the Statute Book in its present state prior to amending legislation in the next Parliamentary session.

Mr. Callaghan stressed the Government's determination to provide security for dock workers, and appealed to them not to be led into "intemperate courses by this decision."

But the Prime Minister made no attempt to conceal the harmful effect of the two defeats, which cut the proposed cargo handling zone from five miles around coasts and up major waterways to just half a mile around ports only.

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Politics to-day, Page 21
Docks headaches, Page 20
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Docker's reaction, Back Page

"If we can preserve what features remain of the Dock Bill we stand the best chance that the situation will remain calm and that we shall be able to carry forward security for dock workers," he declared.

Mrs. Margaret Thatcher, the Conservative leader, whose campaign to kill the Bill achieved overnight success when the two rebels, Mr. John Mackintosh and Mr. Brian Walden abstained in the two divisions, urged the Prime Minister to drop the legislation. "It can't go on to the Statute Book as it is because it is nonsensical," she claimed.

Tactics

The Bill will now return to the Lords next Monday and Tory peers will have to decide what tactics to use.

Ministers hope that the peers decide to-day after legal and decided to-day after legal and will agree to move amendments bringing the rest of the Bill into line with the basic half-mile decision, but the indications last night were that the Tories will leave matters as they are well satisfied with the damage done to the Bill.

Ministers are expected to technical advice on the best way of salvaging what remains of the legislation. If they seek to introduce amendments based on the half mile limit, Tory peers are unlikely to oppose them.

The Government would then have its Bill in mutilated form but there is clearly no guarantee that Ministers will be able to extend the legislation to cover the five-mile corridor in the next Parliamentary session because of lack of time and lack of an effective majority.

After the humiliating defeats, Mr. Callaghan emphasised to his Cabinet colleagues that the Government was not going to be deflected from its strategic aims. "I intend to go on governing," he said.

Exposed

But jubilant Conservative leaders, although accepting that the Government might be able to continue for some time, claimed that the blow inflicted was a particularly damaging one because it had exposed the splits and tensions within the Labour Party.

The two rebel backbenchers were called in to see Mr. Michael Cocks the Government Chief Whip at the Commons yesterday but apart from a severe reprimand there was no sign of further disciplinary action.

With the present state of the parties the Government cannot afford to withdraw the whip from any recalcitrant backbenchers and there is no other effective action that can be taken.

Unrepentant

An unrepentant Mr. Walden, MP for Birmingham, Ladywood, claimed that half the Labour MPs who voted for the Dock Bill did not believe in it. "It was a scandalous Bill, and every effort I made to persuade the Government not to try to carry it through, failed."

Mr. Mackintosh, MP for Berwick and East Lothian, said he did not fear any disciplinary action "because the Government would be cutting its own throat."

The Government faced more trouble last night on one of the other contentious Bills, still go- craft aond Shipbuilding Industries Bill.

Following a tied vote (309-309) Sir Myer Galpern a deputy speaker had to cast his vote in the Government's favour on an amendment which would have given workers the right to be consulted by the two nationalised corporations on industrial democracy proposals.

LOMBARD

Resorting to scare tactics

BY GEOFFREY OWEN

ONE OF the more disgraceful episodes in the House of Commons this week was the crude attempt by Mr. Gerald Kaufman, Minister of State at the Department of Industry, to frighthen members into voting for the aircraft and shipbuilding nationalisation Bill. Several companies were in jeopardy, he said, and unless the Bill was enacted urgently, "the bailiffs will be called in." Even if this were true, it would be a strange argument for nationalisation. As it is, the statement was a gross exaggeration, likely to cause considerable damage to those companies (of which Scottish Aviation is one) which have been struggling hard to keep overseas clients interested during the long period while the argument over nationalisation has been raging. There is a shortage of work in both industries, but sweeping statements about imminent bankruptcy are both unjustified and harmful.

Contraction

Right from the start Government Ministers, unable to offer any rational arguments for the measure, have put a good deal of stress on scare tactics of this sort. There never has been any logic in the notion that because an industry, like all its overseas rivals, is suffering from a contraction of world demand, it should therefore be brought into public ownership. The argument has now degenerated to the point that because the Bill had completed the bulk of its Parliamentary passage but was not certain of clearing the final hurdle, MPs should swallow any doubts in the interest of "ending uncertainty." It is tantamount to saying that when a Government produces a bad bill and thereby plunges an industry into uncertainty, the Bill should be allowed through in order to end the uncertainty.

No one denies that parts of the shipbuilding industry are facing a grave shortage of work or that the Government must have a say in what may become a far more serious social and employment problem than, say, the near-demise of Chrysler U.K. But what has nationalisation, sweeping up the profitable specialists as well as the lame ducks, got to do with it? By all means let us have a national shipbuilding policy, so that the inevitable contraction can be carried out in an orderly manner, and the competitive, productive parts of the industry preserved as far as possible. This will need Government assistance, but not public ownership.

One is reminded of the "case" for steel nationalisation that was put forward in the mid-sixties. The arguments for *rationalisation* were far stronger than in shipbuilding, because there were technological changes going on in steel which imposed a need for larger companies, especially in flat products. But it would have been perfectly possible, as indeed was proposed at that time, to have carried through the necessary re-grouping of the steel companies—including a Government shareholding if required—without creating the colossus of the British Steel Corporation. The subsequent performance of the BSC—the switches in organisation, the inability to supply, the worsening labour relations, the interference from Whitehall—must surely be a warning against driving another industry down the same road.

The two big aircraft companies, Hawker Siddeley Aviation and BAC, are going to have to look lively to get a reasonable share of whatever new civilian airliner projects are available over the next few years: some tricky bargaining lies ahead. Is the upheaval of nationalisation going to make it easier? Can there be any confidence that Mr. Kaufman and Lord Beswick will negotiate the best possible terms with Boeing, McDonnell Douglas and the rest?

Ludicrous

Those MP's who may think that they are courageously serving the national interest by excising ship-repairing from the Bill are getting away with it too easily. The inclusion of ship-repairing is so ludicrous that no further words on the matter are required, but what really gives our Parliamentary system a bad name is the sight of MPs pushing through a Bill to nationalise two major industries on grounds which most of them know to be specious. Already the nationalised sector of the economy, as the forthcoming NEDO report will show, presents the Government with acute management, organisational and financial problems. Does it make sense to add to it?

RACING — BY DOMINIC WIGAN

Sweet Joe in fine heart

SWEET JOE, a 40-1 chance for the Champion Hurdle at Cheltenham in four months' time, has already shown himself to be in fine heart this season with a respectable second placed effort behind the considerably fitter Grand Canyon in Newbury's Bagnor Hurdle, and few will oppose him at Chepstow this afternoon where he contests the Olympic Hurdle.

Here, Mr. Milton Ritzenberg's high-class front runner, has only two rivals of consequence to deal with, Charlotson and Spare Slipper.

Sweet Joe, a particularly tough and consistent sort who put up one of his two disappointing displays in a very profitable first-season when beaten by both Tiepolino and Havanus in the Finale Junior Hurdle on this track, is certain to have come on as a result of that Newbury outing of last week, and a clear victory seems possible.

Charlotson, a useful stayer on the flat also had a good first season over the minor obstacles, with his best performance coming here on his penultimate outing in a 23-runner event, in which he found only the more experienced David Barons' representative, Vespucci too good.

CHEPSTOW
1.15—Semi-colon
1.45—Floating Exchange*
2.15—Sweet Joe
2.45—Prince Rock***
3.15—Mermoney
3.45—Over the Moon

WETHERBY
1.00—The Guvnor
1.30—Cumbria**
3.00—Infantryman
3.30—Pavement Artist

Charlotson is just preferred to Spare Slipper who meets Sweet Joe on identical terms for a two-lengths beating in the Bagnor Hurdle, for the forecast.

Peter Bailey and Ron Barry, who completed a notable double at Wincanton yesterday when Stromolus followed up Zeta's Son's triumph in the Badger Beer Chase of an hour earlier with a win in the Remembrance Poppy Hurdle, will be hoping that Prince Rock can keep up their profitable run in the Johnny Clay Memorial Chase.

This game 8-year-old, who had seven successive point-to-point victories in 1975, developed into a formidable staying chaser last season, and with two much-needed runs under his belt, he may well prove too good for the likely favourite, Adulation.

Arthur Stephenson, who trains that remarkable 13-year-old, Supermaster, will, I am sure, be anxious to win the Veterans own race, the Supermaster Handicap Chase at Wetherby, and it seems likely that Cumbria, running in preference to two more experienced stablemates, will do the trick for the Bishop Auckland trainer.

The course specialist, Even Swell, twice a winner over this three-miles and 100-yards test, may follow Cumbria home.

SALEROOM — BY ANTONY THORNCROFT

New colour test for diamond

THERE was consternation at yesterday's big autumn jewellery sale, organised by Christie's in Geneva, when the star item, a canary yellow rectangular diamond of 39.87 carats, was withdrawn just before the auction because of doubts as to whether the colouring was natural. The diamond had been expected to sell for Sw.Frs.2m. (about £500,000).

Experts at research laboratories in Switzerland and Holland had judged it genuine, but prospective buyers wanted another opinion. M. Gubelin, a Lucerne gemologist, thought the colouring artificial, a view supported by a French expert. The stone has been withdrawn for yet more tests.

The Provincial salerooms tend to get overlooked because they do not hold the very big auctions: but occasionally they demand most attention. Yesterday Lawrence and Son at Crewkerne, Somerset, held probably the most exciting painting sale in its history, culminating in a picture of a snowstorm by the Canadian artist Cornelius Krieghoff selling to the dealer Williams for £26,500, almost certainly an auction record for the artist.

Lawrence sold four Krieghoffs for a total of £67,000. The paintings have a romantic history. They were brought in on the off-chance by the vendor, who had inherited them. For about 65 years they had hung on the walls in a Somerset cottage and had almost certainly been bought in Canada by a member of the family who was a sea captain. There was keen competition between Williams and a Canadian bidder, but eventually Williams took all four, paying £13,500 each for the other landscape scenes.

In Geneva on Wednesday night Christie's sold for £25,000 one of the last Faberge Easter Eggs made for the Tsar of Russia. It was produced in 1917 and is more austere than earlier eggs because of the war. Even so it has a mosaic lapis lazuli shell encrusted with gold stars. Every Easter Nicholas II presented eggs made by Faberge to his wife and mother, but the existence of this one, from the last Imperial Easter, was previously unknown.

Also in the sale of Russian works of art, a silver table in the Louis XVI style by Gratchev went for £40,000, about three times the forecast, while a Faberge enamelled gold pencil case did well at £20,000. The auction realised £325,092.

There was also a Russian flavour to Christie's London auction, where it sold ikons for £68,130. A 19th-century Russian calendar ikon illustrating the saints' days and feasts from March to August sold for £1,900, and the same sum from the same buyer collected a companion ikon covering September to February.

Another routine but successful sale covered oak and totalled £57,851. An oak press in the manner of du Cerceau, with some 16th-century carving, sold for £2,500, three times forecast, to A. and F. Gordon, a partly 17th-century oak tester bedstead sold for £2,300 to Mortimer, and a set of six oak late 17th-century stools went for £1,900 to R. A. Lee.

A collection of children's chairs, which was on loan to Birmingham Museum and Art Gallery, sold for £1,515. An 18th-century ash chair made £240 and an oak and fruitwood chair from the same period £220. Pewter and brass did well. A 19th-century Continental flagon sold for £520 and a set of six Continental brass chandeliers for £500.

The best pewter of the day was sold at Sotheby's, bringing in £29,811. A rare bell-based candlestick, made about £600, sold for £2,000 to Monday, while two Swiss 18th-century spouted flagons went for £1,550 each. The first day of the two-day illustrated book auction at Sotheby's, Chancery Lane, totalled £22,503, every lot selling. An Eric Gill-illustrated Canterbury Tales from the Golden Cockerel Press sold for £760.

At Sotheby's Belgravia saleroom a set of five curtains designed by William Morris sold for £850 in an auction of arts and crafts. An E. W. Godwin ebonised side cabinet of about 1880 fetched £820, and a Heal's desk of the 1930s £780. In the afternoon session of Studio ceramics a large De Morgan vase by Fred Passenger was bought for £700 and another De Morgan for £620.

FT CONFERENCE ON INSURANCE

Computers can play cost-saving role

BY ERIC SHORT

THE INSURANCE industry has plenty of scope to continue rationalising its operating methods and thus saving or containing costs, Mr. Ernest Bigland, vice-chairman and managing director of Guardian Royal Exchange Assurance, said yesterday at the second day of the FT world insurance conference in London.

Rationalisation would rely very much on the continued use of computers and computer techniques. Potential areas for this included visual displays in offices providing instant quotations and policy ratings, the production of standard letters and more routine clerical work done by computers.

Mr. Bigland also foresaw more industry-wide co-operation in setting up research units.

Rationalisation was basically directed at reducing expenses or transferring expenses outside the insurance organisation.

FINANCIAL TIMES
World Insurance
CONFERENCE

Expansion

One aim of compputerisation had been to reduce the amount of manual work, but in general new methods introduced over the past decade had not resulted in many redundancies because they had been introduced at a time of rapid expansion in business.

But the more rationalisation there was the more important it became to select staff appropirate to the work and to ensure that they derived satisfaction from that work.

Turning to Governmental activities, Mr. Bigland warned that the limit had been reached in the additional administrative burden imposed on the insurance industry by recent massive legislation.

The past years had seen an unprecedented volume of insurance legislation and the industry could take credit that, by rationalising its methods, it had contained within tolerable limits the inevitable cost increases from this burden.

Insurance company management needed to change its attitude both in its approach to business and towards the public at large, Mr. Dieter Wendelstadt, chairman of the Board of management of Colonia Versicherung. The insurance industry was undergoing a process of rapid change and was confronted with a great many challenges.

On the business side, management was faced with the growing public awareness of the possibilities offered by insurance. There was increasingly severe competition, while technological progress was bringing in its wake a greater number of very large risks where insurance could only be placed on the international market.

Uncontrolled inflation, more Government regulation and the growing influence of trade unions and consumers presented managers with challenges of a socio-economic nature.

Management could best meet these problems by ending the concept of collective responsibility and putting more emphasis on delegation. Most to be favoured was vertical delegation right down to the middle echelons of management.

There should also be job rotation for managers which, if applied sensibly, would increase an individual's awareness, knowledge and flexibility. But managers facing to-day's problems could no longer ignore what went on around them and had to work in partnership with others inside and outside the organisation.

Mr. Richard Sleight, assistant general manager of Legal and General Assurance, pointed out that the main function of corporate planning within an organisation was to control and allocate all available resources—human, financial and equipment—to the best advantage.

Essential

Planners had to be able to respond to changes which occurred in a rapidly moving environment.

It was essential for them to communicate what they were doing both inside and outside the organisation. Supporters of the mixed economy in every Western country were not as vociferous or as cogent as they could and should be.

What was required, and what the insurance industry ought to support, was a long-term educational campaign to provide a more informed appreciation of the basic economic, financial and social conditions required for the industry's continued effective operation.

There should be a plain man's guide to the economy which would show how policyholder's legitimate expectations could be met both to his own advantage and to that of the country.

The key role of brokers in the insurance industry was defined by Mr. David Palmer, deputy chairman of Willis, Faber and Dumas. The broker's task, was simply to arrange protection for his client—to buy necessary protection for him and not sell him unnecessary insurance.

The broker had to show himself to be a responsible intermediary and must, when appropriate, represent and explain the inexplicable vagaries of the insurance market to the buyer.

The role itself did not change, but brokers needed to acquire new skills and attributes to meet the insurance demands of a changing world.

More advanced technical, legal and financial abilities were just some of these skills. The broker must be able to cope with new risks and provide a wider service geographically.

Recent proposals from the British Insurance Brokers Council for the self-regulation of brokers in the U.K. represented the sound and sensible way of controlling an industry that had prospered for two centuries without the dead hand of Government intervention.

Concern

Mr. Gerald Barrow, a partner in R. Watson and Sons, referred to growing Government intervention worldwide in the normal processes of commerce and industry.

The insurance industry was no exception, and in the U.K. concern over the operations of certain proprietary companies had led to the Insurance Companies Act, 1974, which gave the Government very wide powers over the conduct of insurance business.

The biggest problem was to define the public interest. Thus, if in a newly independent country with only a small local insurance industry, domestic companies were encouraged at the expense of well established overseas insurers, the premiums would be retained in the economy, but policyholders would for some years receive a poorer service as a result.

Mr. M. Bittner, of Bobler Industrie, discussed the factors influencing the growth of the personal savings market in Western Europe.

This growth was related in part to the savings capacity of the population — that is, the amount of surplus cash after meeting all other expenses—and its willingness to save.

He analysed the influences of these factors and forecast that the savings capacity would grow at an annual rate of 2-2½ per cent. But the insurance industry would not increase its present share of the savings market.

Safety and security were now regarded as important factors and people would make more use of liquid savings media such as bank deposits.

TV/Radio

BBC 1

† Indicates programme in black and white.

9.30 a.m. For Schools, Colleges. 10.45 You And Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill and Dig This. 1.45 Teddy Edward. 1.50 Ring-a-Ding. 2.02 For Schools, Colleges. 3.20 Tennis: Great Britain v. USA (Wightman Cup). 3.53 Regional News (except London). 3.55 Play School. 4.20 It's the Wolf. 4.25 Jackanory. 4.40 Emu's Broadcasting Company (EBC 1). 5.10 The Discoverers.

5.40 News.
5.55 Nationwide.
6.45 Sportswide.
7.00 Holmes and Yoyo.
7.25 Ken Dodd's World of Laughter.
8.10 When The Boat Comes In.
9.00 News.
9.25 The Quest.
10.15 Tonight.
10.45 Tennis: Great Britain v. USA (The Wightman Cup).
11.30 Regional News.
11.31 The Friday Film: "Love Has Many Faces" starring Lana Turner.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 5.55 Wales Today. 7.00 Heddiw. 7.20 Holmes and Yoyo. 7.45 Her Nodiant. 8.15-9.00 Ken Dodd's World of Laughter. 9.25 When The Boat Comes In. 10.15-10.45 Kane On Friday. 11.30 News for Wales. †11.31-12.53 a.m. "Blackmail."

Scotland—10.23-10.43 a.m. For Schools and 11.30-11.50 For Schools. 5.55-7.00 Reporting Scotland. 7.00 Ken Dodd's World of Laughter. 7.45 When The Boat Comes In. 8.25-9.00 Current Account. 10.15-10.45 The Pleasure Is Mine. 11.30-11.31 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-7.00 Scene Around Six. 10.15-10.45 Betjeman's Belfast. 11.30-11.31 News for Northern Ireland.

England—5.55-7.00 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth). 10.15-10.45 North (from Leeds) The Object In Question; North West (from Manchester) Home Ground; North East (from Newcastle) Up North; Midlands (from Birmingham) The Knockers; West (from Bristol) Waugh Talk; South West (from Plymouth) Peninsula; South (from Southampton) Reggie's Last Night; East (from Norwich) On Camera and at 10.40 Bin-ends.

BBC 2

11.00 a.m. Play School.
7.00 p.m. News on 2 Headlines.
7.05 Indoors Outdoors.
7.30 Newsday.
7.43 One Man And His Dog.
8.10 The Money Programme:
9.00 Rutland Weekend Television.
9.30 Harry
10.10 The Expert.
11.00 Late News on 2.
11.10 Open Door.
11.40-11.45 Closedown. Peter Jeffrey reads "My Last Duchess" by Robert Brown-Browning.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful of Songs. 12.10 p.m. Rainbow. 12.30 Battle Of The Comics. 1.00 News. 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Friday Matinee: "Thief." 3.45 Sinbad Junior. 3.50 Emmerdale Farm. 4.15 The Kids from 47A. 4.45 Magpie. 5.15 University Challenge.

5.45 News.
6.00 Karen—A Today Report.
6.35 Crossroads.
7.00 Lucky Feller.
7.30 Sale Of The Century.
8.00 Within These Walls.
9.00 Police Woman.
10.00 News at Ten.
10.30 Tribute to Cyril Bennett.
10.40 Russell Harty.
11.40 The Friday Film: "Shadow of Fear."
12.50 a.m. Close—Brian Rix reads a poem by S. J. Forrest.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.25 Friday Afternoon Film: "The Adventures Of Nick Carter." 6.00 About Anglia. 8.00 The Streets of San Francisco. 9.00 Beasts. 10.30 Probe. 11.00 Friday Late Film: "Home For The Holidays." 12.20 a.m. Christians In Action.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 2.25 "Scarlet Angel" starring Yvonne de Carlo. 5.15 Spiderman. 6.00 ATV Today. 7.00 Road Runner Cartoon. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Beasts. 10.30 Extra Time. 11.00 The Friday Suspense Film: "The Screaming Woman" starring Olivia de Havilland.

BORDER

†1.20 p.m. Border News. 2.25 Friday Matinee: "Interval" starring Merle Oberon. 6.00 Border News and Lookaround. 7.00 Studio One. 8.00 The New Avengers. 9.00 Beasts. 10.30 Border Parliamentary Report. 11.00 Late Night Film: "Walk a Crooked Path." †12.32 a.m. Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 2.25 Friday Matinee: "The Feminist and the Fuzz." †6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Two's Company. 8.00 The New Avengers. 9.00 Beasts. 10.30 Late with Danton. 10.50 Late Night Movie. †12.35 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.30 The Friday Matinee: "A Tree Grows in Brooklyn" starring Cliff Robertson. 5.15 Survival. 6.00 Grampian Today. 7.00 Welcome to the Ceilidh. 8.00 The New Avengers. 9.00 Beasts. †10.30 The Friday Film: "Sweet Smell of Success" starring Burt Lancaster and Tony Curtis, followed by Road Report. 12.10 a.m. The Odd Couple. 12.35 Evening Prayers.

GRANADA

1.20 p.m. What On Earth. 2.25 Mystery Movie. Columbo. 5.10 This Is Your Right with Lord Winstanley. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.00 Cartoon. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Beasts. 10.30 Red Roses Every Night.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 2.25 Out of Town. 2.55 Born Free. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Lucky Feller. 7.00 Yus My Dear. 7.30 Six Million Dollar Man. 8.30 Sale of the Century. 9.00 Beasts. 10.30 Report Extra. 11.00 Terror! "Count Yorga, Vampire."

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.15-4.45 Taro' Mlaen. 6.00-6.15 Y Dydd. 10.30-11.00 Outlook. 11.0 The John Morgan Programme. 12.00 Bless This House.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 2.25 Friday Matinee: "Three Young Texans" starring Mitzi Gaynor. 5.15 Animal Alphabet Parade—"Y." 5.20 Crossroads. 6.00 Scotland Today. 6.35 Jonathan Routh and Candid Camera. 7.00 Hello, Good Evening, Welcome. 8.00 The New Avengers. 9.00 Beasts. 10.30 Ways and Means. 11.00 Late Call. †11.05 Feature Film: "Picture Mommy Dead."

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 2.25 The Friday Matinee: "Let's Switch." 5.15 Weekend. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 36 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.35 Out of Town. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Beasts. 10.30 The Costa Tipple. 11.00 "Hit Lady" starring Yvette Mimieux. 12.20 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 2.25 The Friday Film Matinee: "Death and the Maiden." 5.15 The Flintstones. 6.00 Northern Life. 7.0 Cartoon Time. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Beasts. 10.30 Sportstime. †11.05 The Friday Night Film: "Camp on Blood Island." 12.35 a.m. Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.25 Friday Matinee: "Gunsmoke" starring Audie Murphy. 3.48 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 8.00 The New Avengers. 9.00 Beasts. 10.30 Sportscast. 11.00 Friday Film: "Escape."

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 The Friday Matinee: "The Feminist And The Fuzz." 6.00 Westward Diary and Sports Desk. 7.00 Treasure Hunt. 7.30 Two's Company. 8.00 The New Avengers. 9.00 Beasts. 10.32 Westward Late News. 10.35 Late With Danton. 10.50 Late Night Movie. 12.35 a.m. Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.25 Hawkins. 5.15 The Flintstones. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Cartoon Time. 7.05 Jonathan Routh and Candid Camera. 8.00 The New Avengers. 9.00 Beasts. 10.30 Calendar Sport. 10.45 The Friday Night Film: "Valley of the Dolls," starring Barbara Parkins and Susan Hayward.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Simon Bates. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (Joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m only (also 202m Scotland) 2.05 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The 78 Show. 7.30 Sammes' Songs (S). 8.02 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 9.02 Friday Night is Music Night (S). 10.02 Sports Desk. 10.07 Take Your Partners at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only.

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 The Week's Composer: Schubert (S). 9.40 BBC Northern Ireland Orchestra (S). 10.25 Music For Choirs (S). 10.55 Bromsgrove Festival 1976: Piano recital, part 1 (S). 11.45 Interval Reading. 11.50 Recital, part 2. 12.15 p.m. Midday Prom, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Midday Prom, part 2. 2.05 Beethoven String Quartets, part 1 (S). 3.10 In Short (talk). 3.20 Beethoven Quartets, part 2 (S). 4.20 Youth Orchestras of the World (S). 5.25 Oboe Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (S) (continued). †6.30 Lifelines: Leisure and Recreation. 7.30 Orchestral Concert, part 1 (S). 8.20 The Poetry of Isaac Rosenberg. 8.40 Concert, part 2 (S). 9.30 The Theatre of Politics by Maurice Cranston (S). 10.35 Johann Christian Bach (S). 10.45 Music Now. 11.25-11.30 News.

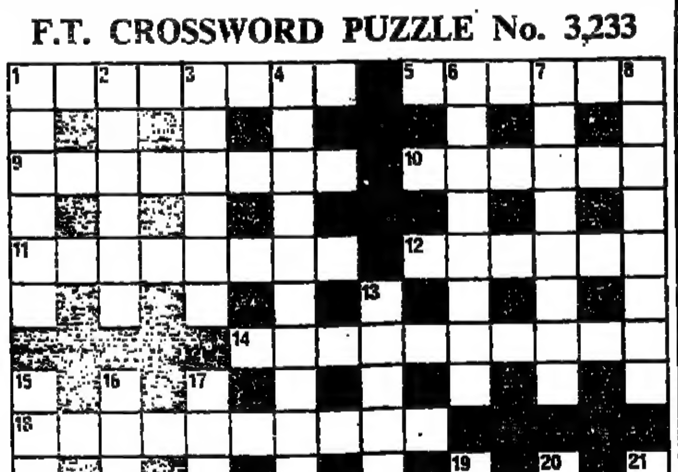
Radio 3 VHF only—6.30-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today, including Sports News, Today's Papers, and 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of Today, including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice of the People († from 9.40). ‡10.00 News. ‡10.05 Checkpoint. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Real-Life Love Stories. ‡11.50 Over the Farm Gate. 12.00 News. 12.02 You and Yours. 12.27 Just A Minute. ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour († from 2.00) from Glasgow, including 2.00-2.02 News. ‡2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Harry Worth. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Pick of the Week. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.25 Week Ending. . . . 11.40 News.

For Schools (VHF only) 9.05 a.m.-12.00 and 2.00-3.00 p.m.

F.T. CROSSWORD PUZZLE No. 3,233



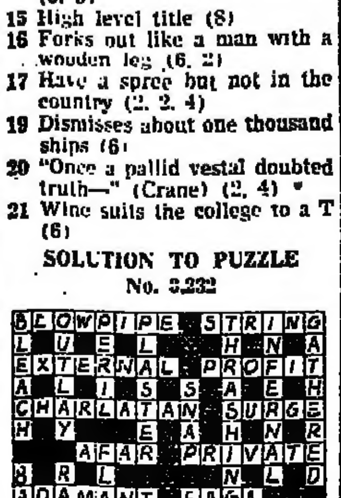
ACROSS

1 A collection not to be missed by the writer (4, 4)
5 Periods of enchantment (6)
9 Dancing is excellent on a sort of square (8)
10 Relative finds us in the money (6)
11 John Bull has connection overseas (5, 3)
12 Relaxed, that is for a native labourer (6)
14 "I am never merry when I hear—" (MOV) (5, 5)
18 Sail pro tem turned into capital (10)
22 Shortly without opposition (3, 5)
23 It may give you a shock—it may be fatal (8)
24 No rest for this Trojan hero (6)
25 One who is punctilious gets a touch in the Southern Railway (8)
26 Gin and pop mixed in Essex (6)
27 Looks at Socialism in command (4, 4)

DOWN

1 Literature and music can be combined in a test paper (6)
2 Change over the electricity controller (6)
3 Look round very quietly for the seasoning (6)
4 What makes a fragrant tree? Footwear would, we hear (6, 4)
6 Professor or Master appears as a matter of form (3, 5)
7 Not so much to classify the uninterested (8)
8 A wordy stretch (8)
13 Society girl gets it on the way in—it can hardly be credited (5, 5)
15 High level title (8)
16 Forks out like a man with a wooden leg (6, 2)
17 Have a spree but not in the country (2, 2, 4)
19 Dismisses about one thousand ships (6)
20 "Once a pallid vestal doubted truth—" (Crane) (2, 4)
21 Wine suits the college to a T (6)

SOLUTION TO PUZZLE No. 3,232



Record Review

Evita

by ANTONY THORNCROFT

Evita, the musical drama on the life and death of Eva Peron, wife of the Argentine dictator, opened in London this week. Since it is the creation of Tim Rice and Andrew Lloyd Webber, who are still counting the cash flowing in from their last collaboration, *Jesus Christ Superstar*, you might have expected more hullabaloo about the premiere.

But *Evita* is still only a record, and although some of the audience at the New London Theatre on Tuesday night had rather dressed up, there is undoubtedly something missing when the visual accompaniment to the music is just coloured slides of Buenos Aires and black and white film of Argentine politicians of the immediate post-war period.

Although it is true that *Superstar* also started life as a record, *Evita* is causing problems for its would-be backers. On the one hand there is the commercial success of Rice and Lloyd-Webber's previous ventures — *Joseph and his Amazing Technicolour Dreamcoat*, which began as a brief school concert piece, will probably have a longer performing life even than *Superstar*: on the other there are the doubts about Evita. Lots and lots of producers attended the listen-in: the telephone has yet to ring making an offer.

It is easy to see why they are hesitating. Musically *Evita* is not only composer Lloyd Webber's most ambitious work but also by far his best. But not only does Eva Peron lack the broad popular appeal of the previous subject, Jesus of Nazareth, the actual story line lacks drama. The plot, young actress marrying promising soldier, pushing him towards a dictatorship which survived on her popularity only to be robbed of success by a death from cancer at the age of 33, has possibilities, but in Evita it is played very straight and quite without character development and incident.

Just as Tim Rice took the easy ambivalent attitude to Jesus in *Superstar*, not committing himself for or against Divinity, there is a similar attempt at covering all angles with Eva Peron, who is portrayed sometimes as an actress on the make, sometimes as a genuine supporter of the descamisados, the Argentine poor. Perhaps the idea is that she never sorted out her own feelings, but it would have been nice to know whether Eva was villain or victim.

Even worse there is no drama in the work. Tim Rice seems to realise this, and introduces Che as a kind of nit-picking narrator. Here, again it is a character drawn from *Superstar*, where Judas plays the voice of the people role, (indeed the same singer, C. T. Wilkinson, is used in *Evita*). But Che has little to do except sing the praises of an insecticide he has developed; there is the suggestion that its commercial failure was the trigger which sent him to Cuba and a better appreciation of his talents. This is all a rather unsuccessful attempt to inject conflict into a pedestrian story.

Finally Rice relies on blank verse in *Evita* while his real talents are in devising outrageous rhymes, the joy of Joseph. Yet *Evita* is a very attractive musical piece as a collection of songs. Lloyd Webber has exploited the possibilities to the full, and thrown in every musical style from Calypso, to dramatic Latin ballad, to rock, to samba rhythms, to gentle love songs.

He has a superb ear for a pop melody and it is hard to predict which of the *Evita* songs will be the hit single—will it be "Another suitcase in another hall," the lament of Peron's 16-year-old mistress "unemployed" by Eva; or "I'd be surprisingly good for you," Eva's seduction song for Peron. I would like to think it might be the emotional and addictive "Don't cry for me Argentina," but I can't imagine Tony Blackburn handling it on Top of the Pops.

The other great asset of *Evita* is the singing and the arrangements on the two album set. Julie Covington is marvellous as Eva, acting out the songs with feeling; Tony Christie seizes his chances as Magaldi, Eva's first lover; and although Paul Jones is a rather reedy Peron (a bass part if ever there was one) he does all right.

And if Tim Rice, who had the original idea, found it an impossible challenge of his skills as a librettist, his lyrics for the songs are faultless, although I don't quite know whether a line like "I could find job satisfaction in Paraguay" is meant to be straight or not.

It seems inevitable that *Evita* will eventually get a Broadway or West End production, and a chorus of trade unionists and broadcasters at least makes a change from cowgirls and Ruritanian officer cadets. I do not know whether I would back *Evita* with a £100,000 or more, but a modest investment in the album, out next week, is a good buy.

Radio 3

Hartmann's Sixth

The Sixth Symphony of Karl Amadeus Hartmann (1905-63), a leading figure among postwar German composers, occupied the first half of Wednesday's BBC Symphony Orchestra concert, broadcast live from the Festival Hall. It was a worthwhile gesture to the memory of a composer much admired during his lifetime (not least for his personal moral courage), but whose eight symphonies have failed to establish for themselves a place in the international repertory since his death. The Sixth (1953), a highly characteristic work, is in two movements of ample scoring, wide scope, and broad style—broad enough to hold within its bounds the soaring post-Mahlerian lyricism of its first movement, and the extensive, not to say exhaustive, contrapuntal activities (closely reminiscent at times of the *Music for Strings, Percussion and Celesta* Bartok) of the second movement.

Energy, applied from without by means of the massively vivid strokes of scoring, is the keynote of the symphony. In the opening Adagio, the development of an English horn melody elaborated (as are its accompanying motifs) like the "farewell" Mahler of *The Song of the Earth*, is forceful, yet somehow external. Likewise, the violent militaristic uproar that breaks into the first movement and closes the second, seems an intellectual manipulation of the music rather than the outcome of inherent tendencies therein. The broad melodies and the edgy chromatic material that provides the substance of the second movement's three linked fugues, share a sense of craftsmanlike purpose that fails to conceal a basic lack of compelling interest. The work seemed, on Wednesday, that of a vigorous eclectic, responsible heir to a tradition rather than notably burning innovator of it.

Bernhard Klee, who was to have conducted the concert, fell ill; in his substitute, the Swiss conductor Erich Schmid, the BBC can count itself fortunate indeed to have found so competent and knowledgeable an exponent of an unfamiliar piece. Heard over the air, the balance inclined towards congestion, with a particular tendency of heavy percussion to quell all opposition. Whether the fault lay with the conductor, the engineers, or Hartmann himself, only those in the hall can confidently decide. The rest of the concert was Mozart—a necessary crowd-puller; but the perfection, internal and external, of his G minor Symphony, K550, points a stern searchlight at lesser symphonists. In between, Clifford Curzon in the C major Piano Concerto, K467—at his peerless best in the third movement, each phrase perfectly balanced between subtlety, scintillating wit, and halcyon beauty of tone. In the earlier two movements, there was unequal match between pianist and slightly stodgy accompaniment.

MAX LOPPERT

Purcell Room

Amsterdam Quartet

Recitals presented by the Netherlands Embassy are usually pleasing occasions: the programmes draw in part from the intriguing byways of Dutch music, and among the musicians one may find a future Elly Ameling or Frans Brüggen. Wednesday's Embassy concert was, however, disappointing. The Amsterdam String Quartet, who have made a good impression on previous visits, sounded tired or strained. Their playing rarely fell below an even level of competence, but neither did they achieve the lively exchange of a true quartet style. At odd moments the tone had a certain coarseness, and there were patches of wobbly intonation, particularly in the cello line. Yet the most damaging failure was one of enthusiasm.

Perhaps under other circumstances the String Quartet of Matthijs Vermeulen would have sounded a less dreary piece, but I doubt it. The work was written for the Amsterdam Quartet in 1960-61, when the composer was in his early 70s, and it proved to be one of his last big compositions. For many years he had composed in neglect and earned his living as a music critic of determined anti-Schoenbergian views. Nevertheless, in the Quartet he used serialism glancingly, even writing some strenuous contrapuntal passages that sound a bit like Schoenberg. One may also be reminded of Berg, though the piece has none of his effusive lyricism, and at times of Bartok in the music's quintuple metres. The most striking feature, however, is that there is no striking feature. The work proceeds continuously through its three movements, taking half an hour and leaving little trace.

There was another string quartet on the programme, Beethoven's op. 59 no. 1, but by far the most enjoyable part of the evening was that in which the oboist Han de Vries joined the strings. His performances had all the zest and perfection one missed in the playing of the quartet, and to some extent he stirred them to better efforts. In Mozart's Oboe Quartet he displayed a beautiful tone, almost clarinet-like in its lack of harshness and insistence. Phrases were teased out with elegant grace, and he showed a delightful feeling for the musical *bon mot*.

Appropriately he adopted a simpler, less knowing manner for the Divertimento for oboe and string quartet by Bernhard Crusell, the Scandinavian early Romantic clarinettist and composer. This ten-minute piece is hardly an utterance of any profundity, but it contained enough frolics for De Vries to show off his athletic flair, and enough attractive, tuneful moments for him to play with seemingly carefree ease.

PAUL GRIFFITHS

Cinema

Alias Sarah Bernhardt

by NIGEL ANDREWS

Douglas Wilmer, Glenda Jackson, Daniel Massey

The Incredible Sarah (A) — Empire

The Bad News Bears (A) — Plaza 1

Survive! (X) — ABC Shaftesbury Avenue

For the fact that Sarah Bernhardt's life has been rescued from the attentions of Ken Russell we should perhaps be grateful: but not for much else in this Reader's Digest Presentation of the actress's life, which has gone through several name changes to end up with the final, and all too apposite, title *The Incredible Sarah*. Truth is used to taking a knock from the cinema; but seldom has the purpose of artistic distortion been so obscure. Bernhardt's own life was sufficiently eventful, one would have thought, to have pleased any sensation-hungry film producer; but by restricting its brief to the actress's "early tempestuous career" Ruth Wolff's script deprives us of her male-impersonation Hamlet, her stranger-than-fiction last years as a one-legged actress, an accident having caused her leg to be amputated in 1915 (Russell's eyes would surely have glinted at the possibilities there), and other such headline material. In order to twist a rather shapeless early life into one of those shining movie essays on the triumph of genius over vicissitude.

So we watch Sarah grow from nervous auditionee to temperamental ingenue to dedicated actress: Glenda Jackson's spirited impersonation clawing rather than cajoling what little life there is from the screenplay, while her supporting cast walk on and off the screen in a ceaseless, solemn traffic of figures from history. There is Peter Sallis as the director of the Comedie Francaise, Douglas Wilmer as his stern counterpart at the Paris Odeon, Daniel Massey as playwright Victorien Sardou (playing an oddly exact reprise of the asexual friend-in-need his Noel Coward provided for Julie Andrews/Gertrude Lawrence in *Star*), Simon Williams as a lovelorn Belgian Duke, John Castle as the seedily handsome leading man Bernhardt marries. There is even Yvonne Mitchell as a black-garbed lady companion whose sole function appears to be to rush in with bad news whenever the plot is about to take a lurch for the worse—"War! War has been declared!". "There's a howling mob outside the theatre!"

The film's corner-cutting way with history is prodigious. Returning from her first British tour to a campaign of muck-raking in the French Press, the unpopular and unemployed Bernhardt was forced, in 1883, to open her own theatre. For her opening night performance, in which our heroine defies a raging gallery and a salvo of cabbages and tomatoes, the film chooses *Joan of Arc*, a play that was not in fact produced until 1890. One would not use history as a stick to beat the film if the reasons

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for the film's distortions—in this case the heavy hints of martyrdom in Bernhardt's own career at the time—were not so ponderously, slanderously banal.

Director Richard Fleischer jerks the film along from one tragicomic set piece to another—Bernhardt walking out on the Comedie Francaise, Bernhardt attempting suicide (from a basement window) after her disastrous debut at the Odeon, Bernhardt with a raging fever giving a show-must-go-on performance as Racine's Phèdre—while the intervening scenes are left to fill in the gaps or to spell out, in words of not more than two syllables, the characters' motives. ("All the love you need is applause and cheering and bouquets.") It says something for Miss Jackson that, while her fellow actors gradually recede into the costumes and the scenery and the ossified dialogue, she stays there fighting for the life of her character with a vigour one would love to have seen deployed in a worthier film.

A familiarity with the rules of baseball seems to be a *sine qua non* for the film critic these days. *The Bad News Bears* is even more arcane to the uninitiated than the recent *Bingo Long's Travelling All-Stars and Motor Kings*: an account of how a team of youthful no-hopers win their way to the top of the American Junior League Baseball Championship, and learn about self-respect and team spirit in the process. Walter Matthau is their coach, a former baseball star turned swimming pool cleaner, Tatum O'Neal plays their star pitcher (and only female member) and the rest of the team is made up an assortment of juveniles picturesquely diverse in size, colour and athletic prowess.

Director Michael Ritchie has specialised hitherto—with films like *Downhill Racer*, *The Candidate* and *Smile*—in wry slices of American institutional life. *The Bad News Bears* is another such slice, taken from the hallowed American pie of teenage sport. But it's thinly cut and disappointingly bland in flavour. For once Ritchie has eschewed the gently mocking realism of his earlier work and taken this film's Boy's Own material at face value: the laughs and heartaches of the team's progress, including those heart-tugging moments when the fat boy makes good with the bat, and the team's blonde and spindly weakling makes his first vital catch in the outfield.

Ritchie's camera rarely strays from the baseball field; which will leave filmgoers who share my ignorance concerning such items as strike-outs bunts and home runs in a state of fairly chronic perplexity. In its favour, though, the film has a likeably rough-and-ready style; and a collection of children's performances that manage to stay just the right side of cuteness. And there is always Walter Matthau, baggy-jawed and bewildered, milking his role for all the slovenly and cantankerous charm it can yield.

We were promised two, and at one point even three, films on the Andes air disaster, but the field has been gradually whittled down to one, and a fairly ragged and desultory survivor it proves to be. Considering that every saleable ingredient of the disaster film is contained in the story of the Uruguayan football team whose chartered aeroplane crashed in the Andes on Friday, October 13, 1972, 16 men surviving the 72-day vigil on the mountains — and eking out their few provisions with morsels of their dead companions' flesh — it is sad if the cinema's only attempt to tackle the story should be *Survive!* an 85-minute Mexican film, perfunctorily revamped with English dialogue and new special effects, which looks like an episode of *Thunderbirds* that has wandered dim-wittedly from the small screen. A pseudo-documentary approach ensures that we get to know none of the characters as individuals, and although the key incidents of the story are all there — the avalanche, the journey to the broken tail, the cannibalism, the final rescue walk — the spirit is so wholeheartedly missing that one wonders how this project ever mustered the energy to get off the ground.

London theatre

Lunchtime fare

In the week of Austrian playwright Thomas Bernhard's British debut at the National, it is refreshing to be reminded by the Birmingham Arts Lab group visiting the ICA of the short play virtuosity of his better known compatriot Peter Handke. Both *Cries For Help* and *Self-Accusation* are examples of the *Sprechstücke* genre which Handke employs so successfully to incorporate both political conscience and social observation. The first plays for about 15 minutes and is a brilliant litany of phrases to say "No" to. No theatre, in fact, finally results in "No" being said to silence. Public exhortation, social requests, domestic demands—all meld in a rich conglomerate of reverberative instruction. The piece can be played by any number of actors, but director Mike Lynch settles for seven, who are not always audible and rarely humorous.

Self-Accusation is a better-known piece for two actors with microphones and loudspeakers, although Christine Peacock and Nick Jeune make use only of the former. Again, the format is accumulatively expressionistic, each voice belonging to the other and tracing a process of birth, growth, social integration, self-discovery and disillusion. If that sounds vague, I can only emphasise that every sentence, every word is specific and reverberative.

M.C.

★

Best to say little about Richard Huggett's awful *Turtle Island* at the Nag's Head, in which a pushy salesman for a human removal service squeezes a cheque for £120,000 out of an unconvincingly successful publiser in exchange for ridding him of a bitch of a wife. Mr. Huggett plays the salesman, eccentrically attired in odd cufflinks, odd socks and a filthy white bow tie. Also, I hasten to add, a pin-striped suit. Barry McGinn (currently in *No Sex Please* at the Strand) is uneasy and under-rehearsed as the publisher.

The dialogue creaks as much as the acting, to reveal a rather unpleasant misogynous streak. Details the director, Royce Ryton, should attend to: a brandy bottle containing uncoloured water and a box from Fortnum and Mason that is patently no such thing. But really, much more than plastic surgery is required. This is the lunchtime backlash.

M.C.

★

In Ian Taylor's *A Bit in Between* at the Soho-Poly, Alan, a nice square, ambitious young man is staying with his old mate Larry so he can be in time for his important interview next morning. Larry is anything but square; he is a hustler and proud of it. He spends the night quarrelling with his incumbent girl-friend Cindy, and consequently Alan oversleeps and loses his new job. He also loses his new suit, which Larry "borrows" to make himself more aceptable on a visit to Cindy's parents.

The play has about the social weight of a comic strip; the characters are clearly and accurately outlined in bold strokes with no shading. Written about the upper middle class, with the dialogue witty and allusive instead of demotic and flat, it would have been a better play but no one would have looked at it: so much the worse. As it is, the lack of character exploration beyond a certain shallow depth deprives it of any but an immediate, evanescent appeal.

Annie Hayes, Richard Albrecht and Ken Robertson play Cindy, Alan and Larry for all they are worth—a modest amount—in a sensible production under Sue Dunderdale. Olly James's set, veering from matching suite to Che Guevara poster, fixes the style of its occupants exactly. B. A. Y.

Theatre Royal, Glasgow

The Magic Flute

by ELIZABETH FORBES

Is *The Magic Flute* a children's pantomime, a Masonic treatise, a bit of reactionary propaganda against second-class citizens such as women and blacks—or is it a sublime celebration of the power of love? Mozart's opera, of course, contains elements of all these. The main strength of David Pountney's production for Scottish Opera lies in its acceptance of this many-sided aspect of the work. Eagerly embracing the bewildering variety of ideas — frequently self-contradictory — thrown up by the text, he adds a good few of his own, and out of the resulting mixture distils a most effective piece of theatre.

On the surface, it is the pantomime element that is uppermost. David Fielding's economical set and Maria Björnson's vivid costumes reinforce this impression. The monster in the first scene has elegant black legs that turn into the three Ladies, attired in 1920s widow's weeds; Papageno is a circus clown in white-face, while Monostatos is a minstrel in black-face; the Queen of Night on her first entrance bursts through a paper hoop; the animals summoned by the flute are toy theatre cut-outs, pushed on by slaves; the human caryatids forming the temple gates dance, like the slaves, to Papageno's bells; Papagena emerges from a Punch-and-Judy show, while Papageno gets his glass of wine from an adorable wooden steam engine.

More radical and thought-provoking than these amusing and mostly appropriate fantasies is Mr. Pountney's treatment of the priests and the three Boys. The priests, clad informally in rather hideous padded orange track suits, exude goodwill and friendliness, all conventional reverence banished. The Boys, no pale spirits, but lively mischievous urchins, take a hand in the action, help with the scene changes and form the trunk of the tree from which Papageno tries to hang himself. Sarastro, genially presented as a benevolent father figure by William McCue, even forgives the Queen of Night for her subterranean attack on his temple, though her Ladies carry rifles, bayonets fixed, and Monostatos holds a nasty-looking hand grenade.

But where, you may ask, does the sublime celebration of the power of love come in? It enters with two characters not so far mentioned—Tamino and Pamina — and with Mozart. Robert Tear's Tamino, a student prince from Old Heidelberg in frock-coat and gold-framed spectacles, is played with total seriousness and engagement, and sung with irresistible romantic fervour. Yvonne Kenny, a high-spirited Pamina, deceptively fragile in appearance but steadfast in love and adversity, phrases her G minor aria with heart-tugging pathos. As for Mozart, he is particularly well represented by Gary Bertini, who conducts the Scottish Philharmonia in a finely-balanced account of the score that, without heaviness or over-emphasis, supplies the counterweight to Mr. Pountney's apparent frivolity.

The rest of the cast is made up of familiar Scottish Opera artists, with the exception of Sharon Bennett, an American soprano engaged at Munich. A tiny figure enveloped from head to foot in black ruffles, she projects the Queen of Night's tirades with venomous relish and accuracy. Gordon Sandison makes a canny Papageno, who puts over his dialogue — in Michael Geliot's splendidly colloquial translation — with sly humour, and sings agreeably. He is well partnered by Morag Mackay's charming Papagena. David Fieldsend's intelligent Monostatos, Malcolm Donnelly's unusually young Speaker, and the ensemble of Ladies, Boys and Armed Men are all excellent. Even the curtain calls, staged managed by the Boys, are an entertainment in themselves, with a tiny encore from the magic bells.

Gordon Sandison

Malevich replaces Chinese at the ICA

The ICA Arts Centre announces that the proposed Chinese exhibition *Peasant Paintings from Hu County, Shensi Province*, together with the lectures, discussions and films have been cancelled. This season will be replaced by the first British showing of the exhibition of Malevich Graphic Work 1913-30 which has been organised by the Israel Museum, Jerusalem, and will run from November 18 until January 9, 1977.

This offers the British public its first opportunity to view a collection of graphic works of the Russian artist Kasimir Malevich—extremely rare prints, mainly lithographs, all relatively small in size. Lithographs by Goncharova, Rozanova, Kulbin and Filinov which accompanied Malevich's printed images in the publications of 1913-14 are included in the exhibition.

W. German nuclear programme set back by popular resistance

BY NICHOLAS COLCHESTER

BONN, Nov. 11.

NO LESS than three West German Government Ministers to-day vsited Herr Ernst Albrecht, the Christian Democrat Prime Minister of Lower Saxony, to stiffen his resolve to support the building of Germany's first full-scale atomic fuel reprocessing and disposal plant in his state. Afterwards, Herr Albrecht received leaders of the citizens' action groups that are opposing the project.

The meeting highlights the fact that the battle over atomic power has become an important political issue in West Germany. Resistance to the construction of new atomic plants has developed from a few local squabbles into a force that politicians are fearful of tangling with. The opposition in Bonn is already claiming that Government Ministers are equivocating by planning the growth of nuclear energy and then fearing to throw their weight behind specific projects.

The latest opinion polls suggest that 20 per cent. of the whole population is now worried about the promotion of nuclear energy. It was partly because of this growing concern that the Interior Minister, Werner Maihofer, announced earlier this year that no new permits for the construction of atomic power stations would be issued until firm plans existed for the facilities that will deal with spent nuclear fuel. It is this that made to-day's meeting in Hanover critical to the future of nuclear energy in Germany.

Already a combination of civic protest and the economic recession has trimmed the ambitious goals which the Government set itself in the wake of the oil crisis. In 1974 it was planned that there would be between 45,000 and 50,000 megawatts of nuclear electrical capacity in Germany by 1985. The Government now concedes that between 35,00 and 40,000 is the most that can be hoped for. Currently there are 6,400 megawatts of nuclear capacity in operation, some 12,00 more in construction, and a further 9,00 planned. Local protest and continuously multiplicating safety provisions are taking their toll here and the Economics Ministry knows that the planned output of 20,000 MW by 1980 will not be reached.

Germany's attention is currently focused on two centres of nuclear protest. At Brokdorf, the fourth town on the lower reaches of the Elbe river to be singled out for a nuclear power station, an approximation to the East German frontier has been erected around the 35-acre site for the plant. Across this barrier frightening clashes between protesters and police have taken place in the last two weeks.

The second battleground is Lower Saxony where anybody seen lurking with drill or seismograph is likely to be driven away by the local inhabitants. Lower Saxony sits on vast stratas of salt and it is somewhere in this salt that the Government hopes to burry the nuclear waste from its expanding network of power stations.

EEC seeks closer Yugoslavia relations

By Guy de Jonquieres

BRUSSELS, Nov. 11.

THE EUROPEAN Community is wrestling with an awkward dilemma over how to respond to demands by Yugoslavia for a stronger relationship with the Nine which would underline its commitment to continuing independence from the Soviet Union and the rest of Eastern Europe.

But while there is general willingness in Brussels and among member Governments to make a positive gesture of support towards Yugoslavia at a time of growing uncertainty over how much longer Marshal Tito will remain in office, the Community is at present perplexed over what it can offer in concrete terms.

The question had been discussed at some length by officials in Brussels in recent days and is expected to be brought up again at next week's EEC Foreign Ministers Council meeting, at which the Foreign Secretary, Mr. Anthony Crosland, is likely to be interrogated on the impressions he formed during his recent official visit to Yugoslavia.

The problem, as officials in Brussels see it, is that the Community possesses few instruments suitable for meeting Yugoslavia's needs.

It is generally agreed that any strengthening of relations must be based on the EEC's existing non-preferential trade agreement with Yugoslavia. But the scope of expanding the provisions of this agreement appear limited, because Belgrade will not accept any external link which would call into question its policy of non-alignment.

Cunhal expects larger vote

BY OUR OWN CORRESPONDENT

LISBON, Nov. 11.

PORTUGAL'S pro-Soviet Communist Party began a four-day national congress to-day by calling on the minority Socialist Government to abandon "capitalist recuperation" in favour of an alliance of the Left. "We shall continue to fight against anti-Soviet policies," said party Secretary-General, Dr. Alvaro Cunhal, in his address to some 5,000 Portuguese Communists and foreign delegates, including the Kremlin's top official liaison with Western parties, Mr. Boris Ponomaryov.

Cunhal expressed "full confidence" that his party would rebound in next month's local elections, from its 7.6 per cent. of the vote in presidential elections in June, claiming that Socialist Premier Sr. Mario Soares's recent austerity measures to rescue the economy had "alienated the workers." He said the strong showing he expects in the local elections would "leave us in a better position to defend democracy and press for a substitution of the present Government," which has excluded the Communists. "The only hope for the revolution is an alliance of Socialists, Communists and other progressives," he said.

Touching an issue that has openly split the Socialists, and led to last week's resignation of Agriculture Minister, Sr. Antonio Lopes Cardoso, Dr. Cunhal warned Sr. Soares against rolling back a land reform which has resulted in the expropriation of some 1m. hectares (2.5m. acres) during the past two years.

Sr. Soares has consistently refused overtures from both the Communists, who he condemns for "anti-democratic" links with an abortive coup last November, and from parties of the Centre. He claims that an alliance with the Centre would give the Communists a claim to be "the sole party of the workers within a few years, they would be as strong as the Italian Communists."

If the Communists are not let back into Government, Dr. Cunhal made it clear they will "continue to organise the workers." He stressed "positive experiments" in worker control and collectivisation, but reiterated the Party's belief that a strike, demonstrations and factory shut-downs are also legitimate weapons, if the policies of capitalist recuperation continue."

Strike call for to-day in Spain

By Roger Matthews

MADRID, Nov. 11.

STRIKES and partial stoppages are expected in many parts of Spain to-morrow, following calls by the main illegal trades union organisations for a day of protest against recently introduced economic measures. Although the unions have stressed that they are not calling for a general strike, the Government is understood to have stopped police leave, and has warned that it will deal severely with any attempts to disrupt public order.

The strikes raised the curtain on what is expected to be a tense nine days for the Government, with the Cortes (Parliament) due to begin its crucial debate on constitutional reform on November 18, and the first anniversary of General Franco's death occurring four days later. A two-thirds majority is needed in the heavily Right-wing Cortes to approve the Government's proposals for a new two-tier Parliament. Present indications are that the voting will be close, with some deputies trying to spin out the debates so that they extend beyond the anniversary of Franco's death.

Riot police used tear-gas and rubber bullets against demonstrators in the northern town of Santander last night when they tried to show solidarity with more than 200 miners who had been staging a sit-in hundreds of feet below the surface in support of a pay claim. Labour tension also continues high in the Basque province of Vizcaya, where some 30,000 building workers have been out for nearly a month. In several parts of the country police have made preventive arrests of alleged strike organisers, and large forces will be out to-morrow to stop pickets forming.

Debate on French nuclear deal

BY ROBERT MAUTHNER

PARIS, Nov. 11.

THE FRENCH Government has no intention of going back on its undertaking to sell a nuclear processing plant to Pakistan, but would not object strongly to the cancellation of the contract by Pakistan. For the moment, however, the Pakistani Government has given no indication that it intends to take such a step.

The controversy about the sale, which first blew up last summer when Dr. Henry Kissinger, the U.S. Secretary of State, tried to put pressure on Pakistan and France to abandon the contract, has been given a fresh airing in the French Press during the current visit to Paris of Mr. Aziz Ahmed, the Pakistani Foreign and Defence Minister.

Officially, Mr. Aziz Ahmed—who has had talks with M. de Guiringaud, the French Foreign Minister, M. Bourges, the Defence Minister, and M. d'Ornano, the Industry Minister—has been discussing economic and defence co-operation between the two countries, without mention of the re-processing plant contract. But, given the international outcry which the sale provoked, it is hardly likely that this sensitive subject has not been touched during his talks.

The latest spate of rumours about a possible cancellation of the contracts are based on two recent developments: a modification of France's nuclear exports policy, which now shows much greater awareness of the dangers of nuclear weapons proliferation, and the stringent conditions imposed by Canada this week for its future nuclear supplies to Pakistan.

Last month, the French Government decided to apply stricter controls on its nuclear exports, to prevent the proliferation of atomic weapons, and indicated its willingness to co-ordinate its policies in this field with other major nuclear exporters. This move, it is stressed in Paris, does not mean that any existing contracts will be cancelled, but it does indicate that France will be much more careful in future about what kind of equipment it sells to countries which do not already possess nuclear weapons.

The one really new element in the situation is the statement in Ottawa earlier this week by Mr. Don Jamieson, the Canadian External Affairs Minister, which is interpreted here as facing Pakistan with the choice between nuclear co-operation with Canada, for peaceful purposes, or with France, whose equipment risks being used for the manufacture of nuclear weapons

New Statoil well 'encouraging'

BY WILLIAM DULLFORCE

STOCKHOLM, Nov. 11.

STATOIL, the Norwegian State-owned oil company, confirmed to-day that the seventh well drilled on a separate offshore structure north-east of the Statfjord field has produced "interesting and encouraging" results.

Statoil states cautiously that further drilling will have to be undertaken before the commercial significance of the discovery can be evaluated, but private companies involved are known to believe that another major North Sea find has been made.

The well was drilled to a depth of 3,127 metres into rocks of possible Triassic age on concession 33/9. Testing gave a flow of 6,691 barrels a day through a ¾-inch choke with a gas/oil ratio of 524. The concession is held by the Statoil/Mobil group with Mobil acting as operator.

The new structure is quite separate from Statfjord, the largest field yet discovered in the North Sea, with recoverable reserves of 3.9bn. barrels of oil and 100bn. cubic metres of gas. It is also unlike Statfjord in that it does not straddle the Median Line into the British sector. The British National Oil Corporation (BNOC) has an interest of 3.5-4 per cent. in Statfjord.

If it proves to be of exploitable size, the new discovery could, however, influence the argument between the Norwegians and some private companies involved in the development of Statfjord whether the oil should be landed by sub-sea pipeline across the difficult Norwegian trench to a terminal on the Norwegian coast or by offshore loading on to tankers. The more oil in the area, the greater the chances of a pipeline being built.

Statoil is currently conducting a number of feasibility studies into the possibility of laying the pipeline. A decision will be made by the Norwegian Parliament in 1979.

Statoil has a 50 per cent. interest in the group drilling on concession 33/9 with Mobil holding 15 per cent. Other companies involved are Conoco, Exxon, Shell and the Saga/Amoco group.

Ertl fears consequences of sterling fall

COLOGNE, Nov. 11.

THE EEC Common Agricultural Policy (CAP) could be in serious danger if sterling and the lira fail to recover, the West German Agriculture Minister, Herr Josef Ertl said in a broadcast here to-day.

He expressed serious concern about the effect of the decline of the two currencies on the Community's joint farm fund.

Herr Ertl also said he would use the next round of farm-price negotiations to secure an increase in farmers' incomes, equivalent to that in other trades and industries. He expected to have the support of all members of the Bonn Government in this. As the Community had not been able to bring the milk market into balance, Herr Ertl said there was no alternative to imposing a levy on surplus production.

Reuter

Danish deficit increases

By Hilary Barnes

COPENHAGEN, Nov. 11.

DENMARK'S CURRENT balance of payments deficit for the first nine months of the year came to Kr.9.8bn. (more than £1bn.), according to estimates by the central bank. These figures are made on a current transactions basis and probably exaggerate the deficit as calculated on the basis of the actual movement of goods and services between Denmark and other countries.

On the transactions basis, the third quarter deficit of Kr.2.9bn. was inflated by business bringing forward import payments and delaying exports payments to Denmark as a consequence of foreign exchange uncertainties. The current deficit figure as calculated by the bureau of statistics will be published shortly and is expected to show a deficit for the year so far of about Kr.8½bn.

This is a sharp rise compared with last year, when the deficit for the whole of the year was only Kr3bn. The previous record annual deficit was Kr.5.7bn. in 1974. In the spring the Economy Ministry forecast a deficit this year of Kr.6 or 7bn. It now seems probable that it will be at least Kr.10bn. or about 4 per cent. of the national product.

Fiat renews co-operation with USSR

MOSCOW, Nov. 11.

FIAT PRESIDENT, Sig. Giovanni Agnelli, has renewed for another five years a co-operation agreement with the Soviet Government, Italian sources said. The agreement is of the framework type which does not mention specific projects, but the sources said that, in earlier talks, Sig. Agnelli and Deputy President of the Soviet Committee for Science and Technology, Mr. Dzherman Guishiana, discussed prospects for future collaboration.

Possibilities included development of the Togliatti factory in the USSR, built under an earlier agreement, to bring car models up to date, and co-operation in the production of new types of diesel engines for earth-moving machines and lorries, the sources said.

Reuter

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PORTUGAL'S ARMED FORCES

The watchdog in search of a political role

BY PAUL ELLMAN, IN LISBON

ALMOST UNNOTICED amid the spectacle of Portugal's ruling Socialist Party tearing itself apart last week was a sudden re-opening of the debate over what role, if any, the country's armed forces should play in Portuguese politics.

Perhaps unsurprisingly, the first shot was fired by Major Melo Antunes, Foreign Minister in the last provisional government and the intellectual mentor of the "Group of Nine" officers who engineered the overthrow of the Communist-dominated Cabinet headed by General Vasco Goncalves in September last year.

Major Antunes has never disguised his belief that the armed forces which overthrew the right-wing dictatorship two-and-a-half years ago should keep at least one hand on the helm to ensure that the Portuguese revolution continues on a left-ward course.

The major is now Chairman of the Constitutional Commission, one of a host of bodies set up under Portugal's extraordinarily cumbersome constitution and which has the job of advising the military's Revolutionary Council as to what attitudes it should adopt towards laws passed by the civilian National Assembly.

Seizing the opportunity presented by his swearing-in, Major Antunes urged the Revolutionary Council to move away from its watchdog role and begin "recommending to the legislature measures needed for carrying out the basic law of the land."

Destroy

"We cannot be neutral when many are clearly attempting, secretly or in the open, to destry democracy and liberties, to nullify economic and social change and when fascist reactionaries continue to provoke terrorist violence in various forms," he declared.

The major's remarks drew a swift response from General Jose Morais da Silva, the Air Force Chief of Staff, who alleged he was "clearly trying to revive vanguardism in the Revolutionary Council."

General Silva is a leading spokesman for the so-called "operational" group of officers who achieved prominence with the crushing of the left-wing military uprising on November 25 last year and have subsequently pressed for a return to barracks by the Portuguese armed forces.

The President, General Antonio Ramalho Eanes, was at one time thought to epitomise the "operational" viewpoint but his silence during the latest controversy has raised doubts as to whether this is still the case.

In many ways, General Eanes, who campaigned for the presidency in June under the slogan "Many make promises, Eanes delivers," remains an unknown political quantity.

His few forays out of the pink-washed presidential palace at Belem on the outskirts of Lisbon have revealed little apart from a basic anti-Communism, normally expressed through warnings that the President will not tolerate "states within the state."

One major reason for this is that the very nature of the present Portuguese political conjuncture obliges him to devote more energy to acting as a chief of staff than as Head of State.

Despite a series of shake-ups on the Revolutionary Council, President Eanes, who serves as its chairman, still has no guaranteed majority among its members.

Accordingly, he still needs the votes of members associated with Major Antunes, a situation which infuriates the "operationals" who have been urging him to expand the Council's membership in order to secure himself a majority.

In the meantime, the President's personal group of advisers is understood to have become heavily influenced by officers associated with the Antunes line. A clue to the power they may now exercise was provided in the reaction to the Antunes speech from General Vasco Lourenco, the Lisbon Military Governor, who is commonly regarded as the most reliable indicator of which way the politico-military wind is blowing.

When asked to comment on Major Antunes' call for a more active role for the armed forces, General Lourenco replied simply: "I like it."

Not so long ago General Lourenço, presumably speaking for General Eanes, was issuing incessant warnings, in well-publicised speeches to army units, against the military becoming involved in politics.

His latest posture illustrates just how swiftly the political

Sr. Mario Soares

situation has begun to deteriorate again with Portugal, in the wake of the Socialist split, apparently as far away as ever from effective government.

The split, highlighted by the resignation of the Agriculture Minister, Senhor Lopes Cardoso, also provided a fresh reminder of the fundamental polarisation of Portuguese politics.

Sr Mario Soares, the Prime Minister, may well feel a sense of short term relief that he has rid himself of one of the most troublesome critics of his Government's measures to haul the economy from the brink of catastrophe and that the left wing of the Socialist Party whose spokesman, Sr Cardoso, remains received a drubbing at the party congress.

The Prime Minister holds to the view that he can appeal over the heads of Left wing militants to the good sense of the average voter. His chance to do so will come next month as the electorate goes to the polls for the third time this year, this time to elect local councils.

Although the Socialists would have preferred the campaign to have concentrated on local problems it has, perhaps inevitably, been turned into a test of the national standing of Sr. Soares' minority administration, with a strong possibility that should his party's share of the total vote fall substantially, he will be forced to form a coalition with the parties to his right in the National Assembly, the Social Democrats and the Centre Democrats.

The chances of this happening have been increased considerably by the split between Left and Right last week.

Sr. Lopes Cardoso's commitment as Agriculture Minister to carrying out further expropriations under the agrarian reform programme enabled the Socialists to poll handsomely in the southern Alenteio region.

Much of this support could be lost now that his successor, Sr. Antonio Barreto, has adopted a somewhat ambiguous attitude towards the whole question of agrarian reform.

In the industrial areas, too, the Socialists face loss of worker support as measures aimed at restoring shopfloor discipline and curbing wage increases take effect.

Already some known Socialist militants have agreed to run in the local elections as candidates for the People's Front coalition formed by the Communist Party and the shadowy Portuguese Democratic Movement.

How many Socialist voters will also defect to the Left is impossible to forecast, but it is worth recalling that motions denouncing Government policy at the party congress attracted the support of a quarter of the delegates.

In any case, the Socialist split could not have come at a better time for the Communists, who hold their own national congress this week-end. Dr. Alvaro Cunhal and his followers, whose political future looked extremely bleak in the aftermath of last November's uprising, have a distinctly confident air about them these days.

In the keynote speech he is to make to this week-end's congress, Dr. Cunhal once again belabours the Socialists for "attempting capitalist recuperation at the cost of the workers" and warns that the Communists will continue to take part in strikes and demonstrations as well as "more positive steps towards workers' control and collectivisation.

More ominously for Premier Soares, the Communist leader will report that the Right-wing policies of the Socialist Government have led to a "drawing together between Socialists and Communists in individual factories."

Dr. Cunhal is thus making it clear that the Soares Government can expect no help from the Communists in the National Assembly so long as it maintains its present policies.

Dr. Soares is equally determined to push ahead with those policies. The possible defection of Left-wing deputies in the voting lobbies is likely to make him rely at least informally on the Social Democrats and Centre Democrats.

In this way, his Cabinet's policies may be passed. But Dr. Cunhal now says that they will be opposed outside Parliament in any case if this should prove necessary.

Street politics

Street politics and political strikes were supposed to become things of the past with the advent of parliamentary democracy this year. Indeed, political strikes have already been declared illegal.

If the Communists and the Revolutionary Left are serious about taking their opposition to the Government to the streets and factories, then Sr. Soares risks having a major law and order problem on his hands which only military backing through the President can hope to resolve.

The price that any Portuguese civilian Government would have to pay in return for this support has always been considered the litmus test for the future of parliamentary democracy. Last week's call by Major Antunes for the military to take up the running again and the failure of President Eanes to make his own position clear at a time when the new democracy is still trying to find its feet augur ill for the prospects of elected civilian rule.

FINNS WORK AGAIN

HELSINKI, Nov. 11.

THE UNION of Train Despatchers decided at midnight last night to call off their illegal strike which had paralysed the railway system of Finland since Monday night. Passenger services have been back to normal since early this morning, and freight services will be fully restored by to-morrow.

Syrian troops prepare to advance into Beirut

BY OUR OWN CORRESPONDENT — BEIRUT, Nov. 11.

SYRIAN TROOPS of the Arab peacekeeping force in Lebanon consolidated their positions to-day as they prepared to continue their advance on the capital to-morrow.

This followed the decisive and unopposed move of two columns of a Syrian assault brigade into the immediate environs of Beirut yesterday without a single shot being fired. The arrival of the two columns in the southern suburb of Galerie Simaane is widely regarded as a major Syrian diplomatic and military coup which is expected to pave the way to a broader Syrian initiative in the Middle East.

To-day the two Syrian columns linked up in a powerful pincer movement in Beirut's southern suburbs, dividing Moslem and Christian gunmen from their battle lines and setting the stage for a march on the capital.

Four unknown gunmen attempted to assassinate moderate Christian politician Raymond Edde in the Moslem-held western sector, wounding Mr. Edde and his chauffeur.

The gunmen, driving a cream-coloured sportscar, fired several submachine-gun bursts at Mr. Edde as he stepped out of his car in front of his home in the Hamra district, a Left-wing radio bulletin announced.

Some 4,000-5,000 Syrian-dominated troops, backed by Soviet-made tanks, armoured cars, heavy artillery and rocket-launchers, rolled down to the approaches of Beirut from the central mountains on Wednesday. They passed unresisted through Left-wing and Right-wing areas and took up positions on the outskirts of the capital, thus completing the first phase of a comprehensive security scheme prepared by the general command of the Arab peace-keeping force.

The second phase of the three-phased scheme begins on Friday and will involve penetration of the confrontation lines, particularly the road from Hazmieh in the south to the port area in the north, and Fuad Chehab Street conecting east and west Beirut through the so-called "green line" at the Museum area. It also includes the stationing of Arab troops in the airport area prior to reopening it some time next week.

The third stage will be primarily a fanning-out operation whereby the Syrian-dominated Arab forces wil spread in the north and south to reopen the entire coastal line between Tripoli in the north and Tyre in the South.

This wil be followed by the application of the 1969 Cairo Agreement regulating relations between Lebanon and the Palestinian guerilla movement. The agreement mainly stipulates that the Palestinian resistance should confine itself to certain areas in Lebanon and not to have heavy weapons.

Beirutis enjoyed the quietest night last night ever since the Arab-sponsored ceasefire went into effect on October 21. But the once fashionable street of Hamra in uptown Beirut had the worst day since the Lebanese war began 19 months ago. At least 15 mortar shells dropped there in an area crowded with shoppers. Casualty figures in the past 24 hours are put at 28 dead and 85 wounded.

Eleven-point plan for Rhodesia

BY BRIDGET BLOOM, AFRICA CORRESPONDENT — GENEVA, Nov. 11.

BRITAIN AND the African nationalist delegations attending the Rhodesia conference here are effectively agreed on an 11-point program leading to independence, but still disagree on the timetable necessary to achieve it.

Technical calculations have been made by lawyers, at the request of the British conference chairman, Mr. Ivor Richard, on how long the necessary processes leading to independence would take place. Those calculations show that there was little difference between the Africans and the British.

They were made one the basis of a congfidential document outlining 11 stages labelled (a) to (k), which makes clear that a date is to be set from the end of the conference here—the first stage. In last week's deliberations this was assumbed to be November 30, although from the time spent discussing only one issue so far, that is undoubtedly optimistic.

The agreed processes after that are: (b) enactment of legislation to establish an interim government; (c) the establishment by the government of machinery to work out a constitution; whic hthen gets on and drafts that constitution (stage d); which is then agreed by the interim government (e).

The next stage is the holding of a constitutional conference (f) followed by the establishment of machinery for elections, including registration of voters, dellmitation of constituencies and enactment of electoral laws (g).

The final stages are the granting, clearing and settling of the independence constitution (h), the drafting and enactment by the U.K. of the independence constitution (i), the holding of elections and completing formalities for independent (j) and, finally, independence day itself (k).

On the basis of this document the Africans said the processes could be completed in nine months, but they were prepared to allow "slippage" to 11; the British said 15 months and the Rhodesians—who most delegates believed to be making calculations largely on political grounds—23 months.

It appears that the main point of argument between the British and the Africans was which processes could run concurrently. All agreed for example that legislation to establish an interim government could be completed in six weeks, but the Africans maintained that some work could be done on both establishing the machinery for elections and drafting a constitution during that time.

Two points of difference emerged: the Africans maintained that it ned take no time at all for the interim government to appoint a constitutional commission. They—and largely the Rhodesians—also believe that a formal constitutional conference, for which the British allow two weeks, would not be necessary, since the constitution would have already been agreed in Rhodesia.

For the main processes of drafting the constitution and arranging the election, the Africans came up with seven months, which allows slippage to nine—leaving two months for the other processes. The British said 11-12 months, leaving three to four for the other processes.

There were other points of difference, such as the contention that no voters' list can be drawn up until the franchise part of the constitution has been established: but the Africans maintained that that could even be agreed in Geneva.

An important political point was made in answer to the much slower timetable of the Rhodesians (who said, for example, that it would take at least 15 months to go through the electoral and registration processes). An African Government, clearly leading to majority rule elections, would be much more likely to get the co-operation of the people, which itself could greatly speed up the timetable.

If the conference does decide on a date for independence, it will clearly be the result of political rather than technical considerations.

A white civilian and a black policeman have ben killed in guerilla activity in Rhodesia, according to security forces, writes our Salisbury correspondent. The civilian was fatally injured when his vehicle detonated a landmine near the Zambian border, and the constable died from wounds received when the vehicle in which he was travelling was ambushed by guerillas.

Qatar and Shell hold oil talks

The Qatar Government and the Shell subsidiary in this Gulf State have entered the last stages of negotiations on the State's takeover of the company's operations here, Reuter reports from Doha. The Government last September offered to pay Shell 22 U.S. cents a barrel as an operating fee for continuing to run the offshore fields after the State takeover.

Shell negotiators have come here with a counter-proposal. Although no details of the counter-proposal or the Government's compensation plans are known, both sides appeared keen to conclude the negotiations as soon as possibel. Shell Qatar's off-shore fields produce about 240,000 barrels of crude a day.

Death penalty

The Bangladesh Government yesterday passed a law that carries the death penalty for persons involved in anti-state or insurgency activities, UPI reports from Dacca.

NZ games boycott

The boycott by Black African countries is one reason for the cancellation of the New Zealand games due to be held in Christchurch in January, our Wellington correspondent reports. The announcement comes as African countries, particularly Kenya and Tanzania, told Deputy Prime Minister Brian Talboys that they would continue to boycott New Zealand because of its sports links with South Africa.

Tel Aviv bomb

Five people were hurt when a bomb exploded in a supermarket in Petah Tikva near Tel Aviv yesterday, Reuter reports from Tel Aviv. Police said they suspected arab guerillas were responsible.

Malaysian terms

The Malaysian Government has simplified the terms it wants for offshore oil and natural gas production sharing agreements with units of the Royal Dutch-Shell group and Exxon Corporation, AP-DJ reports from Kuala Lumpur.

Transkei ousts police

BY JOHN STEWART — CAPE TOWN, Nov. 11.

THE TRANSKEI Government has asked the South African Government to withdraw remaining South African policemen serving in the newly independent homeland.

A report published here to-day quotes a message from police headquarters in Pretoria asking white police to indicate immediately where they would like to be transferred. The instruction is understood to have taken the men by surprise because they expected to serve in Transkei until 1978.

The report quotes informed sources to have said that the Pretoria Government was told by the homeland's ambassador that Transkei no longer required the services of white police. The source reportedly said the decision was made by the Transkei Cabinet.

According to the report, there are only 18 white uniformed police left in Transkei, most of whom are officers acting in advisory capacity. Former Commissioner of Police in Transkei, and now senior adviser, Brigadier Sid Mattheys, is also among those who will have to leave immediately.

Many of the white police have been in Transkei for a considerable period and at least one high-ranking officer had planned to stay until his retirement in 1978.

India amends constitution

BY K. K. SHARMA — NEW DELHI, Nov. 11.

WITH THE passage of the 59-clause Constitution Amendment Bill by the Rajya Sabha (Upper House) to-day, the Indian Parliament put its seal of approval on the most comprehensive constitutional overhaul made so far. The Bill was passed by the Lok Sabha (Lower House) last week.

The Bill which will come into force when half the 22 states ratify it—expected within a month—seeks to assert the supremacy of Parliament and, through it, the executive. It also gives primacy to the directive principles of the constitution over fundamental rights which will no longer be allowed to stand in the way of carrying them out. The right of the courts to scrutinise the constitutional validity of the laws passed by Parliament have been curtailed and a review can now only be made on procedural grounds. The power of high courts to issue writs has also been limited.

YET ANOTHER oil strike has been made by the Government-owned Oil and Natural Gas Commission in a new oilfield in the western continental shelf, bringing the number of established hydrocarbons fields to five. The latest strike is in the "deeper continental shelf structure" 130 miles off the Bombay coast. If early indications prove correct this will be bigger than the "Bombay High" field where commercial production has already begun.

Israel price control call

TEL AVIV, Nov. 11.

ISRAELI TRADE union leaders to-day called for Government controls on prices and company profits when they met Prime Minister Yitzhak Rabin and other Ministers to discuss wide Labour unrest.

Officials of the Histadrut (trade union federation) also protested at the recent Government decision to cut subsidies on basic foods which last week pushed up prices by 20 per cent.

No decisions were taken at the four-hour meeting but Mr. Yeruhan Meshel, head of the Histadrut, said he hoped the Prime Minister would now come up with ideas which union leaders could consider for ending the discontent among workers.

Some 100,000 are now involved in strikes, go-slows or strike threats and are demanding substantial wage rises to counter the country's 35 per cent. annual inflation.

Finance Minister Yehoshua Rabinowitz told to-day's meeting that last week's subsidy cuts were essential to cut public spending and curb excess consumer buying which was, he said, a key factor in inflation.
Reuter

Fighting dies down in south Angola

By Our Foreign Staff

FIGHTING appeared to die down in southern Anglo yesterday amid reports that the Unita (National Union for the Total Independence of Angola) guerillas had fled into the bush in the extreme south-east of the country close to the Caprivi strip on the Namibian (South-West Africa) side of the border.

The flow of refugees across the Namibian border was reported to have come almost to a halt. In three days of intense fighting between Unita guerillas and Cuban-led MPLA (Popular Movement for the Liberation of Angola) forces, who according to unconfirmed reports were in a temporary union with Swapo (South-West Africa Peoples Organisation) forces, apparently drove the Unita forces out of positions in and around Ngiya (formerly Pereira D'Eca).

The clashes had resulted in at least 3,000 refugees fleeing across the border into Namibia, with stories of MPLA and Cuban atrocities.

Reports attributed to refugees but unsubstantiated from any official quarter spoke of Cuban troops preventing refugees from leaving the scenes of fighting at gunpoint and also talked of raping and killings of children.

The apparently stubborn resistance put up by Unita lead to suggestions that South Africa had given indirect support to Unita—an idea which was given added currency by the arrival yesterday in Johannesburg of Mr. Jorge Sangumba, the Unita Foreign Minister. South African officials denied that there was any current involvement, and in London a Unita spokesman vigorously rejected suggestions that Mr. Sangumba was in the republic to campaign for military support. "Mr. Sangumba has gone to South Africa because he is concerned about the refugees and wants to see what can be done," the spokesman said.

ONE YEAR AFTER Mr. GOUGH WHITLAM'S DISMISSAL . . .

A return to normality

BY KENNETH RANDALL, IN CANBERRA

AT LUNCH-TIME on November 11 last year the Governor-General, Sir John Kerr, dismissed the Whitlam Labour Party Government from office. A few hours later, his official secretary stood in a jostling throng on the steps of Parliament House to read the proclamation dissolving the Parliament, ending with the customary "God save the Queen."

Gough Whitlam thrust his six foot four inch frame through the crowd to declare: "Well may we say God save the Queen, for nothing will save the Governor-General." His fury and frustration at the day's events were patent and infectious. "Maintain your rage," he exhorted the crowd. And for many months they did.

A great many Labour partisans are still enraged and take any opportunity to show it. Others remain deeply disturbed by last year's events without necessarily sharing Mr. Whitlam's view of them. A majority, according to the latest opinion polls, accepts what happened and appears satisfied with the results.

If a sense of outrage could not win the election last December it is infinitely less likely that it can win the next election, whenever it is held. Mr. Whitlam was among the first in the Labour Party to realise that, and in recent weeks he has been systematically working to re-direct party energies towards the issues that might, in fact, swing the pendulum back in 1977 or 1978.

Eleven months ago it seemed inconceivable that this role, at this time, should fall again to Gough Whitlam. In the aftermath of the election, Mr. Whitlam himself made tentative moves towards installing Mr. Robert Hawke as his successor. Mr. Hawke, the National President of the Labour Party and President of the Australian Council of Trade Unions (ACTU) seemed the only alternative.

Yet that rare flash of humility from Mr. Whitlam raised only new howls of outrage from the Labour Left in Parliament. No leader had the right to choose his own heir, they declared. That was the prerogative of the Parliamentary party, of which Mr. Hawke was not even a member.

To cover their confusion, the Labour parliamentarians re-elected Mr. Whitlam in January for only 18 months—half the expected life of the Parliament. Some of them then set about destroying Mr. Hawke's chances of entering Parliament to stake his claim. They seem to have succeeded, at least for the time being, with the net result that Mr. Whitlam is as firmly entrenched as ever.

Mr. Whitlam's strategy for the future is based, as he puts it, "on restoring individual security through the modernisation of our institutions."

Even the extraordinary "Iraqi money" affair, revealed in February, failed to do his position serious harm. Public reaction to the revelation that the Labour Party had seriously expected a no-strings gift of $A500,000 from the Ba'ath Socialists in Iraq was largely one of incredulity. Mr. Whitlam, among others, accepted a ritual censure from the Labour Party National Executive and the incident was forgotten.

It did, however, bring out the fact that the election had left the Labour Party up to its eyes in debt. The National Secretariat, with virtually no regular income of its own, owed about Aust $350,000. But the constitutional crisis of 1975 had led to enormous increases in membership in many parts of the country and the intense publicity for the financial problems of the party was turned to good effect. Much of the debt has now been paid off, and Mr. Whitlam's personal role in the fund-raising efforts has further enhanced his standing with the new generation of Labour Party members.

Nevertheless, in Parliament throughout the first session of this year, Mr. Whitlam and his tiny band of members looked anything but impressive. It was not until the trauma of the shattering defeat in December began to fade that Labour began to think of itself again in terms of an alternative Government.

The arithmetic is simple enough—the difference between Opposition and Government is only 7 per cent. in an electorate which has shown itself increasingly volatile in recent years. Since the elections, opinion polls suggest that Labour has already picked up 3 per cent. at the Government's expense.

The fact remains, though, that support for Mr. Malcolm Fraser's Government still stands at 50 per cent. according to the polls, despite unemployment, inflation, the dismantling of popular Government programmes and a host of lesser issues for which it might, by now, be held responsible.

Mr. Fraser has not succeeded in his stated objective of having the average Australian turn to the sports page of the newspaper before reading the political news. The day he does, Labour will be in serious trouble. The road back depends predominantly at the moment on how successfully Labour can identify and promote issues which will rekindle some of the enthusiasm for politics which carried it to power in 1972.

Mr. Whitlam's strategy for the future is based, as he puts it, "on restoring individual security through the modernisation of our institutions." In 1972, and for six years before that, Labour's appeal was based on the "quality of life," with all the multitude of specific issues embraced by the phrase. And, despite 1975, that manifesto has been too successful to be used again.

"People have little confidence in their own future and little confidence in the nation's future," Mr. Whitlam says now. ". . . They are concerned about our competitive strength as a trading nation, our future strength and resilience as a modern industrial state, our survival as a vigorous democracy. To say this is not to lament what happened to the Labour Government or to lament past Labour programmes. It is to question our basic institutions and the remedies sought by Conservatives . . ."

Some of the issues he has identified within this context include trade union reform, the restructuring of industry, reform of the machinery of Government and greater individual security through a new approach to welfare and related programmes. Properly developed, and given the problems still facing the Fraser Government, they could become themes of considerable appeal.

At this stage, however, they are Whitlam ideas and not settled policies of the Labour Party as a whole. Mr. Whitlam and his supporters are working strenuously to capture the policy-making machinery before the national conference of the party next July which will revamp the existing platform. Nobody can tell yet how far they have succeeded.

Much of the effort is concentrated on the new recruits to Labour ranks last year and after the victory in 1972. And just as much will depend on the personal authority Mr. Whitlam can show that he retains in the party and the electorate at large.

It has been a long year since Remembrance Day, 1975. But perhaps the most impressive feature of it has been the recent marked return to normality in national politics. The demonstrations planned throughout Australia to mark the anniversary are very likely to be the last of their type.

Lockheed seeks SEC deadline extension

By Stewart Fleming

NEW YORK, Nov. 11.

LOCKHEED Aircraft will have to ask the Securities and Exchange Commission (SEC) for a further extension of the deadline by which it must file a report on its foreign payments with the investment regulatory agency.

A Lockheed spokesman confirmed to-day that the report will not be ready on time and that the special committee of directors investigating the foreign payments will not have completed their investigations by to-morrow's deadline. He was unable to give any specific reason for the delay or to suggest what sort of further extension would be requested.

The special committee was due to complete its investigations to-morrow and file a report with the Lockheed Board 30 days after that. The Lockheed directors then had a further 30 days to file the report with the SEC and a federal court in Washington. The report was to be released by the SEC to the public. Until the report is published the company cannot hold a regular annual meeting.

AP-DJ adds: Action Industries Inc., which previously disclosed the receipt of questionable shipping rebates, has identified four shippers that paid them in a filing with the SEC. The company said that it received a $419,000 in the six years ended last June 30 from four maritime carriers: Sea-Land Service Inc., (a subsidiary of R. J. Reynolds Industries Inc.), Waterman Line, Phoenix Container Lines and Evergreen Line. It is illegal to pay or receive shipping rebates.

Burns backs moderate money policy

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Nov. 11.

DR. ARTHUR BURNS, chairman of the Federal Reserve, pledged to-day to persevere with moderate monetary policies for the foreseeable future.

The thrust of his arguments, contained in his regular report to the Senate Banking Committee, was that "loose fiscal policies" could cause renewed inflation and that "continued progress in unwinding inflation must remain a major objective of public policy, along with establishment of reasonably full employment and reasonably full utilisation of our industrial capacity."

In fact, Dr. Burns announced some lowering in the growth margins of the basic monetary measurement M1 (currency and demand deposits) to a range of 4½ to 6½ per cent. per annum from the 5 to 7½ spread previously in force.

However, he maintained (as he has done before) that wider use of new financial technologies (the NOW accounts, the development of telephonic transfers of funds from savings to current accounts, the acceptance by banks of business and government savings deposits, for example) had considerably changed the definition of M1.

He estimated that over the last year, ending with the third quarter of 1976, the real growth of M1 would have been 2 percentage points higher than the 4.4 per cent. actually recorded if the new factors were taken into consideration.

However, Dr. Burns also announced a fractional raising of the upper ends of the target ranges for the broader money supply measurements from the levels set last summer, these ranges had been lowered in July from the previous targets of the end of last year.

The spread for M2 (M1 plus time and savings deposits at the banks) is now put at 7½-10 per cent., while that for M3 (M1 and M2 plus deposits at savings and loans institutions, credit unions and savings banks) at 9-11½ per cent.

In both cases a half of 1 per cent. had been added to the upper ranges. Dr. Burns pointed out that in the last year, M2 had risen by 9.3 per cent. and M3 by 11.5 per cent., both more than the previously projected mean level.

Dr. Burns's assessment of the state of the American economy and his announced determination to keep a firm grip on monetary expansion may not go down too well with some of the likely economic advisers of the incoming Carter Administration.

The chairman repeatedly stressed that inflation was the number one enemy and, overall, contended that all was far from wrong with the state of the economy now and in the mid-term future.

All in all, it is likely that Mr. Carter's economic advisers will conclude that Dr. Burns is taking altogether too complacent a view about the health of the American economy. There was nothing in what he said to-day (with the exception of his comments on job programmes) to dispel the notion that when Mr. Carter takes over on January 20 there could be some sharp disagreements between the Fed and the new administration on economic objectives and policies. His strictures about "loose fiscal policies" will, without doubt, be duly noted and used against him when the time comes.

Annenberg gives NY a $20m. arts centre

By Our New York Staff

NEW YORK, Nov. 11

AT A TIME when New York City has still not solved its financial problems, the Metropolitan Museum to-day announced the construction of a new $20m. "art communications" centre.

Mr. Walter Annenberg, the 68-year-old former U.S. ambassador to Britain, who inherited the Triangle Publishing Company, has provided a pledge covering not only the projected construction cost, but continuing operating expenses as well.

The grant is considered to be the "most valuable in 106 years," not only because of the dollar figure, which is exceeded in value by certain other museum collections, but because it makes possible the realisation of a dream which "goes back to the 1920s—the use of the motion picture."

With a projected completion date of 1980, the centre will use "the most advanced techniques of modern communications"—this includes not only films, but also television, tapes, publications, and slides to spread the world of art to a wider public.

Mr. Thomas Hoving, who recently announced his retirement as director of the museum as from December 1977, will be in charge of the new centre.

Mr. Hoving has been a major force in bringing change and renovation to the museum.

Atlanta lawyer to head Carter transition team

BY OUR OWN CORRESPONDENT

WASHINGTON, Nov. 11.

MR. JACK WATSON, the young lawyer from Atlanta, Georgia, would appear to have been formally enshrined as the man who will take charge of the transition period between the Ford and Carter Administrations.

Mr. Watson has been running the transition planning staff since mid-summer and has presented Mr. Carter with voluminous briefing books on possible Government appointees and on policy issues. He will now take up residence in Washington with specific responsibility for appointments, the reorganisation of the Government, liaison with Congress and analysis of the budget.

His accession seems to have been achieved partially at the expense of Mr. Hamilton Jordan, Mr. Carter's Presidential campaign manager, whose functions in the weeks ahead will be confined to the composition of the new White House.

However, reports from the island off the coast of Georgia where Mr. Carter has been taking a brief holiday stress that there was no ferocious infighting between Mr. Watson and Mr. Jordan. The latter had apparently felt somewhat displaced once the election was over since he had been concentrating on the campaign itself, whereas Mr. Watson had only been looking beyond election day. Mr. Carter called the two men, sensed some tension and told them to go away and resolve it between themselves: this they did without rancour.

The transition operation w[...] be run from offices in the Depa[...] ment of Health, Education an[...] Welfare, provided courtesy [...] the outgoing administration. Th[...] 10 men and women who ha[...] been named to the team refle[...] to a degree Mr. Carter's loyal[...] to those who were his earlie[...] supporters.

Mr. Watson's deputy will [...] Mrs. Barbara Blum, an Atlan[...] businesswoman who played [...] major role in the campaign. M[...] Bowman Cutter, who left [...] job as a business executive a[...] the Washington Post to join t[...] campaign, will handle co-ordina[...] tion of budget analysis. M[...] Landon Butler, political direc[...] of the election campaign, will [...] one of three men whose princip[...] function will be recruiting tale[...] Mr. Alfred Stern, the numb[...] two man on Mr. Carter's issu[...] staff will have a major ha[...] in policy development a[...] liaison with Federal agencies.

However, it has now been co[...] firmed that Mr. Carter will spe[...] rather less time in Washingt[...] between now and his inauguration on January 20. Mr. Wats[...] had originally recommend[...] that he spend as much as fo[...] days a week here, largely [...] cause of the difficulties [...] directing the transition per[...] from the remoteness of [...] home in Georgia.

But it seems that Mr. Car[...] has concluded that such a ha[...] would constitute something of [...] affront to the Ford administ[...] tion, which remains in power [...] another 10 weeks.

Tax plan for multinationals

By Our Own Correspondent

NEW YORK, Nov. 11.

THE U.S. Internal Revenue Service (IRS) is considering a tightening-up of certain tax rules for multinational companies which could amount to an additional $750m. in taxes to the companies affected.

At present many multinational companies charge against U.S. income expenses and deductions that are attributable to foreign operations. This inflates foreign profit and has the effect of increasing the foreign tax credit the companies are allowed to reduce in U.S. taxes.

Argentina frees strikers

BY ROBERT LINDLEY

BUENOS AIRES, Nov. 11.

ALL THE 43 members of the light and power workers union who were jailed two weeks ago as ringleaders of strikes which blacked out portions of greater Buenos Aires, have been released.

Now that the work is proceeding normally, all the security forces who were guarding the installations of the two power companies which supply electricity to the area have also been removed. The strikes were touched off more than a month ago by the Government's dismissal of about 250 "redundant" light and power workers, some of them union leaders. More than 500 workers were suspended for one day for taking part in the strikes.

Reuter adds: Seven left-wing guerillas were reported to have been killed in clashes with security forces to-day bringing the death toll from guerilla warfare in Argentina to 27 in less than two days.

Police said the seven, including a woman, died in two separate gun battles in La Plata, 40 miles south-east of Buenos Aires where a bomb blast at provincial police headquarters on Tuesday night killed a policeman and injured 10.

States move on jet noise

WASHINGTON, Nov. 11.

THREE U.S. states will try to-morrow to force the U.S. Government to set noise control standards for jet aircraft—a move seen as an attempt to keep out the Anglo-French supersonic Concorde.

A federal judge to-day set Friday for a hearing of a suit by New York, Illinois and Massachusetts who say the Government is about to support adoption of international noise standards less strict than some proposed for the U.S.

ECOL OIL REFINERY

A short-lived independence

BY JAY PALMER IN NEW YORK

ALTHOUGH a total of something over 25 refinery construction projects have been proposed in the U.S. since the Arab oil embargo, only one has overcome environmental and other objections and actually been built.

Seven weeks ago, this one huge independently - owned facility was gobbled up by one of the larger integrated oil companies before it had processed a single drop of crude.

In a deal that caught virtually everyone by surprise, Marathon Oil paid $400m. to buy the 200,000 barrels-per-day Mississippi River facility owned by the Energy Corporation of Louisiana (Ecol), a joint venture of Northeast Petroleum and the Ingram group of New Orleans.

It was a bargain price, especially since all but $140m. of the total $400m. was in the form of assumed debt and obligations. For this relatively small outlay, Marathon increased its refinery capacity by about 60 per cent., and in one go jumped from 18th to 12th place in the league of U.S. refiners.

The idea for the Ecol project came in 1973 and involved not only the two parent companies, but also a local electricity supplier, Middle-South Utilities. In the wake of the embargo and the first days of the energy crisis, all three companies had their own very good reasons to get together to create what was designed to become America's first new, independently-owned refinery since the 1950s.

For Northeast, a New England-based retailer of petrol and heating oils, the appeal of the new venture was obvious. Environmental objections had blocked its plans to build a refinery in Rhode Island and, especially in view of the prevailing oil shortages, the company had to secure long-term adequate supplies of oils at reasonable prices.

Middle-South's position was much the same, though in its case Federal Government regulations banned utilities from taking equity stakes in refineries. Even before the Arab move, it had been hit by the natural gas shortage, and it needed long-term fuel oil contracts. The only answer was to take an indirect financial stake in a new refinery and thus secure a "most-favoured customer" rating.

> "Ingram, unlike Middle-South and Northeast was not in the project for fuel supply. . ."

Ingram, unlike Middle-South and North-east, was not in the project for fuel supply. As a cash-rich, privately owned company, it was looking for some means of using its expertise in marketing and water transport of petroleum projects as well as pipelines. The answer, once again, was the Ecol project.

Lengthy talks between the three companies ultimately resulted in the Ecol plant, sited 35 miles up river from New Orleans. Ingram and North-east each put up half of the total $20m. equity capital. A 14-bank consortium led by First National Bank of Chicago agreed to extend a $250m. 10-year loan at 2 per cent. above prime rate, paid by other customers.

Middle-South, for its part, put up just over $67m. of subordinated funding for the new operation, lent against future guaranteed fuel oil deliveries of 50,000 barrels per day until 19[...] The deliveries were to have b[...] priced at cost, with a guaran[...] that the price would be at le[...] 10 cents a barrel less than t[...]

The project was glowi[...] portrayed in a number of [...] journals as a turning-point in [...] history of U.S. refining. It [...] pointed out that Ecol was [...] first refinery to be built [...] America specifically along E[...] pean lines where production [...] put is geared to heavier [...] oils rather than petrol.

Also, unlike most existing refineries, Ecol was specific[...] designed to be most effic[...] handling very high, sul[...]

> "Ecol was specifical[...] designed to be mo[...] efficient handling ve[...] high sulphur crudes[...]"

crudes, and converting them [...] environmentally accepti[...] fuels. Most imported crude ([...] also that from Alaska's Pruc[...] Bay fields) has a high sul[...] content while must [...] domestic oil is low in sulphu[...]

To get crude, Ecol sig[...] reasonably good contracts [...] Venezuela (the first deliver[...] which came only days be[...] Marathon's bid). A three-[...] delivery contract was sig[...] with Royal Dutch-Shell, wher[...] supertankers would carry [...] Venezuelan oil to a point off [...] Orleans just outside U.S. t[...] torial waters for transfer [...] smaller vessels for the trip [...] the refinery. This de[...] avoided the much higher cos[...] having to use U.S. vessels [...] the entire journey.

GUY

The design and envisa[...] operation of the Ecol plant [...] and still is, based on some fu[...] mental assumptions about [...] future. Ecol bet that [...] accelerating gas shortage wo[...] increase demand for heating [...] Secondly, it assumed a contin[...] decline of U.S. domestic oil [...] duction and a correspon[...] upturn of oil imports. Fina[...] it was looking for continuing [...] creases in U.S. energy consu[...] tion and a consequent need [...] refinery expansion.

Although Ecol was only [...] correct on the first two assu[...] tions, the third backfired. [...] Arab embargo, the surge in [...] prices, and the unexpected w[...] of energy conservation cut b[...] the expected need for extra s[...] cialised refining capacity. A[...] direct result, Ecol is much m[...] vulnerable to competition fr[...] other refineries than origina[...] expected. What is more, t[...] company has been very bad[...] hurt by a change of Governme[...] energy policy. Very recently t[...] Federal Energy Authority de[...] ded to end the programme und[...] which all domestic refiner[...] using more expensive impor[...] oil receive compensation [...] bring their purchase costs [...] line with those dome[...] refineries using domestic cru[...]

That eliminated in one [...] Ecol's significant price advant[...] over Caribbean competitors, [...] big refineries owned by the [...] oil majors in Trinidad, [...] Bahamas, and Curacao. Th[...] are the refineries with which [...] was intended to compete for [...] East Coast market.

Ecol is now at a distinct [...] advantage. The Caribbean re[...] eries can use foreign ship[...] carry their oils to the mar[...] whereas Ecol must use the m[...] more costly U.S. flag vessels [...] the Gulf-to-East Coast U.S. [...] to U.S. port, run. These c[...] can add up to 90 cents a barr[...]

WORLD TRADE NEWS

Chase attacks Egyptian foreign investment body

BY MICHAEL TINGAY

CAIRO, Nov. 11.

EGYPT'S Foreign Investment Authority has been sharply and comprehensively criticised in a confidential report prepared for the joint Egypt-U.S. Business Council by Chase Manhattan Bank.

The report says the complexity of the foreign exchange system, the confusion caused by overlapping and contradictory law on foreign investment, and the lack of co-ordination within the Government must be rectified if foreign investment in Egypt is to increase.

The report says floating the pound while causing Egypt immense problems "would probably have the greatest single impact of anything the Egyptian Government could do to attract foreign investment."

The overvalued Egyptian pound must be devalued and a single exchange rate, introduced, it says. It calls for a business advisory council to be set up reporting directly to the Prime Minister's Office together with a revision of the investment law which, it says, "should reflect priorities within a clearly defined economic policy."

The comments on the exchange situation concur with those recommended by the International Monetary Fund.

The report, which has not been circulated far beyond Egypt's top leadership, is understood to have been discussed last month by President Sadat and Mr. David Rockefeller, head of Chase Manhattan. Its frank criticisms are said to have met a negative response from the Prime Minister, Mr. Mandouh Salem.

However, speculation that the Government might consider a series of recommendations is justified by the new appointment of Dr. Abdul Moneim El Kaissouni as deputy premier in charge of economic and financial affairs. He is fluent in the language of Western business.

The Foreign Investment Authority gets the most severe criticism. The report attacks it for lack of guidance, arbitrary application of investment criteria, and for playing a negative role by screening out investors rather than encouraging them.

It points to the lack of fixed criteria by which investment approvals are made for projects within Egypt and the "fuzzy status of the free zones." It refers to inaccuracy and ignorance on the part of investment authority staff and "the often pointless chain of technical reviews of projects."

It recommends a thorough review of the functions, organisation, staffing and operation of the authority, and advocates embodying, responsibility in a powerful hierarchy — possibly answerable directly at Prime Minister level.

Dr. Abdel Moneim Rushty, head of the Investment Authority, is believed to consider the barrage of criticism directed against the authority unfair and unjustified. But as the report indicates, the Investment Authority is damned by the non-arrival of foreign investors in Egypt.

Since the report was presented to Mr. Sadat Egypt's Cabinet has been reshuffled in a way which indicates that the President will respond to some of the recommendations as best he can.

Observers believe there may have been some American influence both in the selection of Dr. Kaissouny as Deputy Premier and in persuading him to take the post.

There is no doubt that the arrival back in the Government of the chairman of the Arab International Bank increases chances that the stern recommendations in the report may be applied. References throughout to communication at Prime Ministerial level can now neatly be transposed to be dealt with by the deputy premier for economic affairs.

● President Sadat has urged his new Government to streamline procedure and put new life into the country's flagging economy, Reuter adds.

"Eliminate red tape and I am behind you. Wipe out routine, otherwise we shall never overcome our difficulties in reconstruction and domestic problems," he told the new Cabinet in a special briefing.

BAC and Rolls bid for Saudi contract

BY RICHARD JOHNS

THE BRITISH Aircraft Corporation and Rolls-Royce (1971) Ltd. are understood to be pursuing a contract for the maintenance and overhaul of Saudi military aircraft engines which could be worth at least £1bn.

Talks on the project date back at least as far as last year and are outside the immediate scope of the official visit to London of Prince Sultan bin Abdel-Aziz, Saudi Minister of Defence and Civil Aviation, which ends tomorrow.

If a deal on aircraft maintenance and overhau is concluded, it would be in addition to the renewal of the existing U.K. air defence contract with Saudi Arabia which expires in 1978. BAC is the prime contractor in the British team implementing the project.

Its extension to 1982 under a new agreement — worth something in the region of £700m. after allowance is made for cost increase—is expected to be the most immediate concrete outcome of Prince Sultan's visit.

Establishment of an engine maintenance and overhaul facility is one of the kingdom's top defence priorities—the aim being that Saudis should be trained as soon as possible to a point of self-sufficiency in this field.

While training would be a significant part of the package under discussion, buildings and infrastructure account for a big proportion of the sum mentioned.

British-built aircraft in the Saudi air force are limited to two squadrons of Lightning interceptors and two training squadrons of BAC-167 Strikemasters. However, the possibility is by no means ruled out that BAC and Rolls-Royce (1971) might also take over the maintenance and overhaul of Northrop F-5s in the kingdom's service.

Hopes of more links with India

BY K. K. SHARMA

NEW DELHI, Nov. 11.

A BRITISH industrial delegation to India hopes to take advantage of a decision to liberalise import of capital goods and has found that there is a "more flexible, more pragmatic" view taken towards foreign investment.

But, as its leader, Sir Ralph Bateman, said to-day, it does not think that India's Foreign Exchange Regulation Act (FERA) improves the prospects for foreign investment. Sir Ralph acknowledged, however, that it was the right of any government to lay down the rules under which it wants foreign investment. The act lays down that foreign companies must Indianise their equity in accordance with a prescribed formula.

Price claim denied by OPEC

Financial Times Reporter

THE Opec secretariat is sticking to its line that prices of goods purchase dby its members abroad have gone up by around 40 per cent since the last rise in the oil price in October 1975.

According of the Financial Times newsletter PetroMoney Report, the secretariat has little time for a recent American oil industry study estimating the figure at 2.7 per cent.

The study—by the Petroleum Industry Research Foundation (PIRINC) of New York—concluded that for the purchasing power of the present oil price to be preserved, the oil price would have to be raised by "not quite 3 per cent" when Opec oil miinsters meet in Doha, Qatar, on December 15.

An official Opec spokesman in Vienna told PetroMoney Report, "PIRINC can't give the right answer." Opec had made its own studies, using cif (landed) prices, not the fob basis adopted by PIRINC, and "we know how much prices have gone up," he said—citing consultancy fees and construction costs in particular.

The spokesman added that when the Opec Economic Commission meets next week to prepare for the ministerial conference, a 40 per cent. rise in import prices will be the "minimum" basis for the Commission's recommendations to the ministers.

The Doha conference will also consider applications for membership of the Organisation from Syria, Trinidad and Congo.

EEC and Romania agree textile pact

BY DAVID BUCHAN

BRUSSELS, Nov. 11.

THE EEC, in its first formal agreement with an East European country, has initialled an accord regulating the troublesome flow of Romanian textile imports into the Community. Thi is the 13th agreement the EEC has reached under the framework of the GATT multi-fibre arrangements (MFA), and officials here hope that Poland and Hungary who, along with Romania, are the only three East European signatories to the MFA, will soon follow suit and open negotiations for a similar agreement with Brussels.

The two-year Romanian agreement is retrospective, dating back to the start of this year, an dends at the end of next year, when the present MFA also expires.

No precise quantitative details have yet been released in Brussels but the new agreement puts volume ceilings on 11 product categories from Romania, including cotton cloth, stockings, socks, underclothes, pullovers, suits, shirts and table linen.

As with all these agreements in which the EEC has negotiated the move from a regime of import quotas to one more of export restraint, the ceilings for the first year allow the Romanians a slight averaged increase on current sales. But it is understood here that, for instance, in the case of shirt imports that have badly disrupted British markets this year, the EEC has conceded little to Romania.

In addition, the agreement identifies 17 textile product areas where, under the MFA agreement, the EEC reserves the right to call for compulsory consultations with Romania, if imports lead to future disruption.

EEC officials point to an immediate benefit here, in that in five of these 17 products, Romania has already agreed to limit imports into certain EEC countries, mainly France and the Benelux.

U.K. tractor deal with Libya

Massey Ferguson of Britain is to set up a factory in Libya which will have an assembly capacity of 3,000 tractors a year, according to company sources in the U.K.

The venture will be owned jointly with the Libyan Government and according to Libyan sources an accord was signed this week by Massey Ferguson with the Libyan Minister for Industry, Jadallah Azzouz Attalhi.

The total investment involved has not been disclosed but it is understood that Massey Ferguson will invest around $15m. over a five to six year period, during which local content will be increased.

The factory will be located near Tripoli and will employ 800 men.

German importers 'cash in on sterling'

BY NICHOLAS COLCHESTER

BONN, Nov. 11.

THE German consumer is not finding British goods sold in Germany any cheaper as a result of the recent sharp devaluation of the pound aginst the Deutschemark, an extensive article in the prestigious German weekly Die Zeit reports. Instead German importers and to a lesser extent British exporters, appear to be benefitting from the increased margins.

Die Zeit reports that in Kaufhof, the big German department store chain, it is impossible to find a single British item on which the price has been lowered. In the rival Karstadt chain English do-it-yourself tools, porcelain and nightdresses are selling at the same price as a year ago. The same is found to be true in the big mail-order houses.

German importers, however, seem to be making most of the profit on the fall of sterling. According to the Confederation of British Industry, 80 per cent. of all British products sold to Germany are still priced in pounds rather than marks. British attempts to qoute mark prices have met resistance from the German buyers, Die Zeit says.

In the case of British Leyland, the importer is now owned by the British company yet prices here have either been maintained or raised. Die Zeit says it is therefore not surprising that in a boom year for German motor sales British Leyland is selling no more cars this year than it did in 1975.

Concorde boost in Asia

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SINGAPORE, Nov. 11.

CONCORDE'S 33,000 mile tour of South-East Asia and the Far East, which ended yesterday, has strengthened the possibility that several airlines in the area may lease the aircraft.

The Concorde, which left Paris on November 2, established yet another record in civil aviation yesterday by flying more than 9,500 nautical miles from Seoul in Korea to London in only 17 hours, including stops of 53 minutes at Singapore and 42 minutes at Bahrain. The aircraft returned to Paris from London in the afternoon.

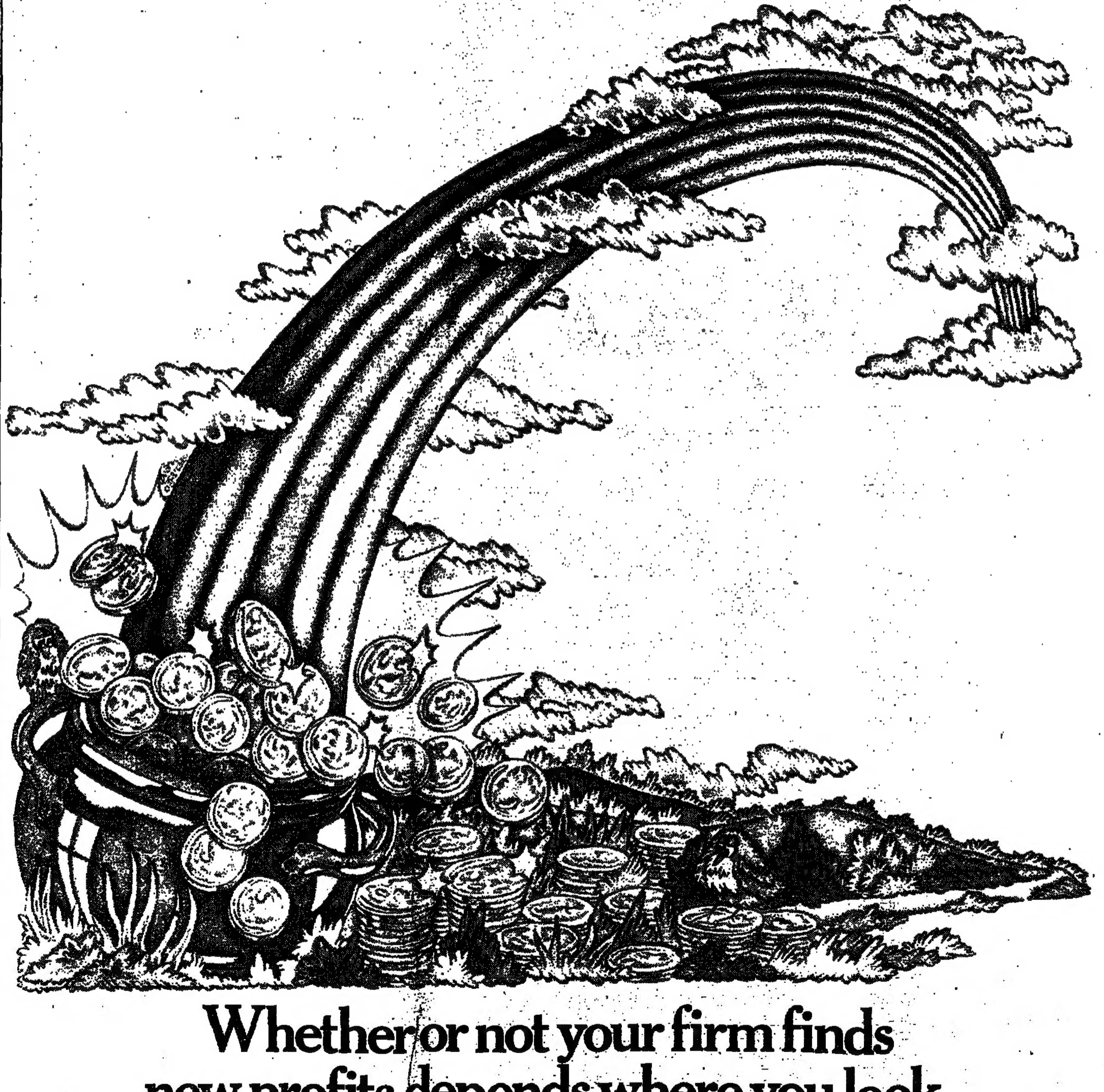
The manufacturers, Aerospatiale and the British Aircraft Corporation, say a Concorde route to S.E. Asia from Europe is technically for exploitation by the airlines and Air France is considering such an operation in conjunction with the French airline UTA.

British Airways, however, still insists on opening the transatlantic route to New York before going to Singapore, although it already goes half way with a Concorde service to Bahrain.

Concorde's visit to the Far East over the past 10 days, which included stops in Manila, Djakarta and Hong Kong, was aimed to show the aircraft to the major airlines of S.E. Asia and the Far East, and to suggest that even if they do not wish to buy Concorde, the aircraft is available for lease.

Crown Agents' increased business

An increase of 30 per cent. over the previous year in the value of goods ordered by the Crown Agents for their overseas Principals was achieved during the third quarter of 1976. The total value of orders placed for the first nine months of this year was £137.1m., compared to £122.8m. for the first nine months of 1975, and the trend of current business indicated that last year's record total of £163m. will be substantially exceeded. Orders placed with British firms amounted to 71 per cent. of the total value.



Hattersley examines new ways to control prices

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE DEPARTMENT of Prices has been asked to examine every option for holding down some key prices during the next few months.

Officials are considering schemes, some of which had previously been thought to be impractical and some which apparently go against the thinking of other Government departments.

They include possibly making the bakers absorb a future price increase in their profits, and extending the list of goods on which there is a statutory maximum price beyond the present range of subsidised products.

No decision has yet been taken, but Mr. Roy Hattersley, the Secretary of Prices, is concerned that his Department should not be seen to be standing [illegible] in the face of inflation. [illegible] that some of [illegible] being proposed by other Government departments—such as increasing VAT and allowing the nationalised industries to make larger profits—will undermine the credibility of his Ministry and make negotiations with the unions difficult.

Mr. Hattersley has admitted since taking office that there are large areas of inflation in which he is powerless to act—a view which he repeated to the TUC at his meeting this week. But he has said he wants to tackle those "marginal areas" where Government action might be appropriate. He has indicated that they might include bread, beer and children's clothes.

Mr. Hattersley apparently keeps confronting what he described to the TUC as areas of "maximum dilemma"—areas where action on prices could hit both investment and jobs.

Bread, which as a subsidised product is already subject to a maximum prices order, is proving a particularly difficult problem.

While seeking a solution, he has apparently considered reducing the subsidy of 1½p without raising the maximum price. An alternative idea is that when, and if, the Price Commission approves the bakers' present application for a price rise, the Department of Prices would refuse to raise the maximum price.

Either way, it seems, the baking industry would have to take a cut in profits.

The bakers, alarmed by reports that Mr. Hattersley wants to stamp on "profiteering" in the industry, have asked for a meeting next week.

Mr. Hattersley would also like to do something on beer prices as a way of demonstrating in the short-term that the Government is acting on prices even though the rate of inflation shows no sign of decreasing over the next few months.

Children's shoes and clothing are also areas which are thought to concern Mr. Hattersley. But other Government departments are apparently worried that any action on prices could harm British manufacturers and put jobs at risk.

Mr. Hattersley may also find it difficult to persuade the Cabinet to moderate the price increases of the nationalised industries. He is believed to think that it makes nonsense of his job to allow the State-owned industries to raise their prices, so as to increase surpluses, at a time when the unions are being asked to restrain pay demands.

CBI firmly rejects rises in indirect taxation

BY ADRIAN HAMILTON

THE CONFEDERATION of British Industry yesterday came out with its economic prescription for the present crisis, including a renewed call for public expenditure cuts and a rejection of indirect tax increases.

At the same time, the Association of British Chambers of Commerce released a "deeply disappointing" reply from the Prime Minister to its recent letter arguging for public expenditure cuts, a reduction in interest rates and greater incentives for management.

In his reply — which the association described as revealing "the wide gulf in understanding which now exists between the Government and the risk-takers on whose efforts the nation's wealth depends"—Mr. Callaghan stresses again the need to avoid divisive actions which could upset the social contract.

He defends the Government's willingness to implement monetary targets, the improvement in the country's industrial relations and its industrial strategy.

But Mr. Callaghan also rejects criticisms of the Community Land Act and nationalisation measures as providing "practical solutions to some important problems."

He further answers the calls for a reduction in public expenditure as a proportion of GDP with the statement that "these proportions are very misleading as simple statistics since they depend on the definition of public expenditure used.

Referring to the recent redefinition of expenditure, he argues that public expenditure represents 52 per cent. of GDP for 1975-76 rather than 60 per cent., and he takes note of the association's view that "further cuts in public expenditure, principally in the payroll of central and local government are required."

In a speech at the CBI's West Midlands region luncheon at Sutton Coldfield yesterday, Mr. John Methven, the confederation's director-general, listed the CBI's "do's and don'ts" which the Government should now follow.

Among the "don'ts" was significantly a call not to increase VAT or excise duties. "This would," he said, "seriously deflate home demand, put up prices, reduce profits, and add to inflation, make the chance of agreeing further pay restraint vastly more difficult and would, as before, create more unemployment."

He further argued strongly against further increases in corporate or employer's taxes, income taxes or interest rates.

Instead, he suggested a £3bn. cut in public expenditure over the period to 1980, "by reducing State intervention in private industry and cancelling nationalisation plans; by more realistic pricing for public sector goods and services—including housing transport, education and health—and improving efficiency and cutting out waste in the public sector."

Added to this, Mr. Methven urged income tax cuts next April, a restoration of business confidence through the dropping of contentious legislation and renewed commitment to wage restraint as well as continuing priority to industry.

Mr. Methven's speech follows closely on a speech by Sir Ronald McIntosh, director-general of the National Economic Development Office, urging sensible expenditure cuts but arguing equally against measures such as indirect tax rises which would have a strong deflationary impact.

Post Office Board should be replaced, says users' group

BY KEVIN DONE, INDUSTRIAL STAFF

THE PRESENT Post Office Board should be replaced by a Government-appointed Communications Authority comprising skilled businessmen and administrators, as well as representatives of Post Office workers and users, according to the Post Office Users' National Council.

In its evidence to the Post Office Review Committee, published yesterday, it recommends that this new authority should then appoint separate executive boards for the main sectors of Post Office operation, Posts, Telecommunications, Banking and Data Processing.

Members of the Communications Authority should not have executive operational responsibilities within the Post Office, Lord Peddie, chairman of the council, said.

But it would receive and monitor budget and performance targets, assess and approve capital investment programmes, co-ordinate major research projects and recommend the principles on which each service would operate.

"It is crystal clear that the present structure of the Post Office is totally inadequate to meet the demands on it by the services that it controls," Lord Peddie added.

"The alternative structure we have suggested would not only achieve more effective monitoring, it would also give a far greater degree of independent operation to the postal and telecommunication services.

"It would provide the means to achieve far greater accountability and would give realistic recognition to the demand for effective worker and user participation in State enterprises."

The suggestion of a Communications Authority as a bridging board would avoid the wasteful duplicating of administrations involved in splitting the Post Office, and would maintain joint research facilities.

In each sector, technicians would have a far greater say at executive Board level. "At the moment, we appoint some people to a Board, and pray for the best."

The evidence also draws attention to the "social content" of many Post Office services, which it says, must not be lost amid solely commercial objectives.

The council also published its annual report yesterday, which takes up its campaign for concessionary postage for Christmas and a monthly billing system for telephone accounts.

Price rises may cut British Steel first-half loss to £50m.

BY STUART ALEXANDER

THE STATE-OWNED British Steel Corporation is believed to have made a loss of about £50m. in the first six months of this year, substantially better than was expected

But the continuing slow rate of recovery in the economy could mean that the corporation will have difficulty in achieving its objective of breaking even for the full year.

"We are fighting like hell to break even for the year," it said last night, but in heavy investment sectors like shipbuilding and engineering demand was discouragingly static.

The corporation has now presented its half-year results to Mr. Eric Varley, Secretary for Industry. Due to be announced late next week, they will show a steady turnround from January onwards, helped by four price increases.

Losses in 1975 were £255m., of which £125m. was sustained in the first half as the industry went through the worst year since the inter-wars depression. However, by September it was back in the black.

Figures from BSC and the British Independent Steel Producers Association yesterday show total U.K. output in October was 7.4 per cent. up on September at an average of 457,700 tonnes a week, which was also 14 per cent. up on October 1975. This raised the ten-month average for this year to 428,600 tonnes a week, 11.2 per cent. up on 1975.

Output for the year is running at a rate of 1m. tonnes up on 1975, at 21.1m. tonnes, though this would still be the second-lowest figure of the 1970s which, from 26.6m. tonnes in 1973 dropped dramatically in 1974 and 1975.

Consumption in the third quarter rose to 3.91m. tonnes from 3.88m. in the second quarter and 4.07m. tonnes in the first, according to the Department of Industry.

● The Common Market Commission in Brussels yesterday approved two new loans for BSC worth nearly £10m. Four projects to improve anti-pollution equipment at three electric steelworks in Sheffield — Aldwarke, Stockbridge and Tinsley Park — would account for £5.6m. The second loan of £4.2m. would be to help pay for research facilities on Teesside.

Business cars: Finance Act

This year's Finance Act provided for a special method of taxing the benefit derived by an employee from the provision of a car made available for his private use where the car is either not used at all for his business travel, or where its use for such travel is "insubstantial" compared with its private use.

The word "insubstantial" is not defined, its application depending on each case

However, the Inland Revenue stated yesterday that attention would be concentrated on cases in which two or more cars were provided for the use of a director or employee or of their families, or where a car appeared to be provided as a recognition of his status with the employer rather than for business use.

The business use of a car will not be regarded as "insubstantial" for the purposes of Section 62(1) of the Finance Act if that use exceeds 10 per cent. of its total use in the tax year.

£180m. saving

THE DEPARTMENT of Prices says that the savings as a result of Wednesday's cuts in food subsidie would be an estimated £180m., not £110m. as the Department stated on Wednesday.

New law would force companies to change names

BY MICHAEL LAFFERTY

CORPORATE LEGISLATION requiring the names of all public companies to include a reference to their public status will be introduced by the Government within two years. Other measures considerably amending requirements for annual accounts are also planned.

The new provisions, additional to all existing and proposed domestic company legislation, arise because of two EEC company law harmonisation directives likely to be approved soon by the Council of Ministers in Brussels.

These are: 1. The Second Directive, dealing with the capital requirements of companies, which lays down a minimum capital for public companies of 25,000 units account (£10,000). This will probably be approved in the next few months, after which the Government is allowed two years to bring British company legislation into line. 2. The Fourth Directive on company annual accounts, likely to be approved by the middle of 1977, or the end at the latest. The U.K. will then have 30 months to amend company law.

The requirement for public companies to change their names arises from a Government commitment in the negotiations on the Second Directive. In return for EEC agreement that it should not apply to British private companies, the Government has undertaken to introduce legislation requiring companies to make it clear in their titles whether they are public or private.

Because of the very large number of private companies, probably about 500,000, the Government is believed to favour changing where appropriate only the names of public companies, of which there are about 16,000.

The most detailed legislation, which will probably involve a complete revision of the detailed accounting disclosures for annual accounts contained in the second schedule of the Companies Act, 1967, arises from the Fourth Directive.

As a result of it, all British companies will have to adopt mandatory standardised formats in their annual accounts. The directive prescribes two layouts for the balance sheet and four for the profit and loss account, but companies will be allowed some flexibility in their presentations where this is considered necessary to give a true and fair view.

The Fourth Directive contains a series of detailed accounting principles, such as rules that goodwill, research and development, and formation expenses must be written off over five years.

In general these accounting principles are intended to apply only to accounts on the historic cost basis, and so would probably affect only those companies which have not changed to the inflation accounting system, known as current cost accounting, when the EEC legislation comes into force

It is proposed that CCA will be introdued over four years, starting with the accounts of quoted companies, other large companies and the nationalised industries for accounting periods starting after July 1, 1978.

One of the last remaining points of disagreement on the Fourth Directive is over its references to inflation-accounting systems, and the extent to which companies producing inflation accounts should give historic cost information.

Young managers are 'driven overseas'

BY TERRY WILKINSON

A WARNING that the growing disparity in rewards to young managers in the U.K. is driving them overseas and making it impossible to bring them back home for permanent posting was made by Sir John Read, chairman of EMI, in the group's annual report and accounts.

Sir John said in his review: "In the U.K., because of necessary income restraints at the present time, proper differentials between varying grades of employees have been eroded—irrespective of the varying degree of responsibility carried."

The burden of taxation had driven many young managers to work outside the U.K. "In consequence, many British companies—and EMI is no exception—are finding that they have two groups of management: the group outside the U.K. enjoying high rewards and high standards of living; and the U.K. group penalised by savage personal taxation and financially frustrated in consequence.

"Moreover, it is becoming almost impossible to bring overseas executives back to the U.K. for permanent posting."

Sir John added yesterday: "An international group such as EMI can be successful only if top management is aware of multinational problems. These executives—and this must apply to 20 or 30 companies like ourselves—can't be got back, even with promotion."

EMI Report, Page 24

Europe 'can stay centre for textile machinery'

BY RHYS DAVID, TEXTILES CORRESPONDENT

EUROPE can remain the principal world centre for the development of textile machinery but only if the industry is able to make sufficient returns to justify heavy expenditure required on research and development.

This was claimed yesterday in Manchester by Mr. Edward Smalley, managing director of Stone-Platt Industries, Britain's biggest textile machinery manufacturers, at a conference organised by the Textile Institute.

"If the large international textile companies use their buying power irresponsibly and thereby consistently depress the margins of the machinery maker to vanishing point, then that machinery maker will no longer be able to support heavy research and development costs necessary if he is to serve the user industry properly."

Mr. Smalley called for greater co-operation between textile producers and machinery makers. "The textile producer who has a new and possibly patented process sometimes tends to be over-secretive about his development with a view to keeping it in house. Mutual prosperity is often best served if the textile producer and the machinery maker get together at an early stage to develop and exploit new technologies on a worldwide basis."

Takeover volume rises in third quarter

BY DONALD MACLEAN

EXPENDITURE ON the acquisition of industrial and commercial companies rose to £108.1m. in the three months to the end of September of this year, from £93.3m in the April-June period but did not reach the 1975 third quarter figure of £111.8m., according to figures to-day in the official magazine Trade and Industry

The number of companies acquired was 95, compared with 93 between April and June and 88 a year earlier, while the number of acquiring companies rose to 86 from 81 in both the previous three months and the corresponding period of last year.

The overall figures however, conceal a marked swing between the second and third quarters towards the acquisition of independent companies—a movement largely balanced by a fall in sales of subsidiaries between company groups.

Trade gap 'could improve'

A STRONG IMPROVEMENT in the balance of payments next year is foreseen in a report on the economy produced by Econintel Information Services, a new economic research and forecasting group

The report raises doubts about the weekend report in the Financial Times that the Treasury forecasts show a £2bn. increase in the projected public-sector borrowing requirement for next year.

"This would be somewhat surprising if inflation is revised upward by at least 3 per cent., increasing tax revenues commensurately, while cash limits on Government expenditure and strict control of wages continue to obtain and while the nationalised industries' prices are allowed to reflect fully the increase in costs."

The outlook for 1977-78, the report says, "has necessarily been confused by the IMF visit and the Government's desire to make conditions attached to the loan as least onerous as possible."

The report warns the visiting International Monetary Fund team against imposition of excessively restrictive monetary targets, and says that it would be a mistake to deflate the economy further because of the effect on investment.

It claims that the fall in sterling was necessary to restore the U.K.'s trade competitiveness. It expects the exchange rate to continue to fall until the third quarter of next year, but then to stabilise at about $1.56.

Miners reject industrial action over retirement

BY ROY ROGERS, LABOUR CORRESPONDENT

MINERS LEADERS yesterday headed off a Left-wing bid to bring them into confrontation with the National Coal Board over their demands for early retirement.

By a majority of 15 to eight, with two abstentions, the National Union of Mineworkers executive rejected a proposal for an immediate ballot in which miners would have been asked to give the executive power to call industrial action if the claim for retirement at 60 is not met by January.

The militant line was proposed by Mr. Arthur Scargill, president of the Yorkshire miners, who put the view that pressure should be applied because little progress was reported yesterday from a joint study group set up with the National Coal Board.

Mr. Joe Gormley, the NUM president, said yesterday that the study group was merely looking at the different options available and that no negotiations had so far taken place.

The NUM annual conference decision to go for retirement at 60 by January 1, 1977 with subsequent staged reductions to 55 by 1980, all without loss of earnings, was "a negotiating position which we all realised could not be achieved."

A special meeting of the NUM executive has been called for November 23 to formulate a clear demand. These will be put to the NCB later that day, when they hope to get a reply, and may also be presented to the TUC economic committee, which which decide whether they breach the pay policy.

Pay policy

Mr. Gormley stressed that it might also be necessary to have further talks with the Prime Minister and other Ministers as the NCB has made it clear that it expects Government to foot the bill for any early retirement package.

Another executive meeting on December 1 is expected to give the go-ahead for a ballot of members by the end of the year. By this time, Mr. Gormley said, he hoped the executive would be in a position to recommend acceptance, although that depended on the NCB offer.

Both the Government and the NCB have shown some sympathy for the miners' claim, but the Government has underlined that the pay policy precludes any action before next August and it has yet to be decided how any scheme should be financed.

The NCB has prepared a voluntary scheme under which retirement age would be reduced to 62 on a phased basis. But the Board wants it restricted to miners with 25 years' service underground and does not envisage any special earnings protection for those volunteering for early retirement.

NUM moderates, led by Mr. Gormley, hope that some sort of offer, possibly along these lines, will prove acceptable in the ballot which, as a result of an annual conference decision, must take place by the end of the year.

Jaguar line to restart to-day

By Arthur Smith, Midlands Correspondent

PRODUCTION of Jaguar cars should resume to-day following a union-management agreement to investigate problems at Leyland's two Coventry plants.

Four separate disputes at the Radford and Brown's Lane factories have caused 1,900 workers to be laid off this week, and production has been disrupted frequently in the past five months.

The 130 painters in dispute at Brown's Lane agreed to return to work last night. Engine-assemblers at Radford will consider a peace formular this morning.

Shop stewards and management from the two plants, together with full-time union officials, have agreed to conduct an investigation into the problems besetting production.

Output has been well below the 700-a-week target since the announcement in July that Leyland Cars planned to transfer the paint shop to Castle Bromwich, Birmingham.

Mr Fred Peyrelle, chairman of the senior stewards at Brown's Lane last night, described the dialogue initiated with management as "a breakthrough."

Both sides were prepared to examine the problems in depth

● Car production at Ford's Halewood factory was halted again yesterday as a strike by paintshop workers over manning levels continued. The company has lost about 950 cars with a showroom value of £1.9m. so far this week because of two disputes at Halewood.

Government 'beaten by union pressure'

BY ALAN PIKE, LABOUR STAFF

THE Government was accused yesterday of surrendering to pressure from the Confederation of Shipbuilding and Engineering Unions to exclude a non-TUC organisation for managers from consultations on the nationalisation of shipbuilding.

Officials of the Shipbuilding and Allied Industries Management Association gave a warning that their members "may be forced to react strongly should they continue to be denied consultation or should their interests be attacked."

The association claims to represent 60 per cent. of management staff in the shipbuilding industry. It says that Mr. Eric Varley, Industry Secretary, and the organising committee preparing for nationalisation, are refusing to meet its representatives.

Association members lobbied MPs yesterday during consideration of the nationalisation bill in the Commons.

The association said in a statement that since its formation last year branches had been established in most of the companies scheduled for nationalisation. Managers felt they would be a small and uninfluential minority in any of the established TUC unions and concluded that none of these was suitable to represent their interests.

Despite receiving a certificate of independence under the Employment Protection Act it has been denied the facilities made available to other unions, the management association claimed.

Warning given

Refusal by Mr. Varley and the organising committee to deal with the association results from the hostile attitude of confederation unions "despite the fact that those unions have little or no membership among managers in the industries and cannot therefore validly claim to represent them."

The confederation, claimed the association statement, had given a warning that any encouragement or recognition of the association would provoke hostile reaction. "The Secretary of State for Industry has intervened with the organising committee to discourage them from dealing with the association."

'Whitehall bureaucrats' attack by Chapple

BY OUR LABOUR STAFF

"WHITEHALL bureaucrats" who maintain the number of civil servants under them while other public service workers are thrown on the dole were attacked by Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union yesterday.

Writing in his union journal, Mr. Chapple says that substantial pruning in public spending is possible, but stresses that "cuts in administartive and bureaucratic overheads would soften the effect on real public service."

In terms which will be unpopular with members of Civil Service unions, he declares: "The elimination of obscure projects and esoteric functions such as proliferate throughout Government service would not only be a saving, but would be a stimulus to workers who have observed the wanton waste of public money and concluded that the Government cannot really mean business."

When local authorities cut back, dustmen and road sweepers got the sack, while planning committees and Whitehall bureaucrats protected the departmental staff quotas that governed their position and income

"I know that inside the Labour movement this view will be held to be divisive, but the severity of the crisis with which the country is faced is too serious to be fudged."

Britain was destined for a steady and painful decline unless productive members of society received their proper reward and the relationship between productive and non-productive sectors was changed.

Union singled me out, claims ex-Front man

A FORMER National Front member who wrote for the organisation's paper Britain First claimed yesterday at an industrial tribunal that he was singled out for special treatment by the National Union of Journalists

Mr. David McCalden, 23, now activities organiser of the National Party, claimed at the London tribunal that he was wrongfully excluded from the union while working for Britain First.

At yesterday's resumed hearing, Mr. McCalden, of Westcombe Hill, Blackheath, South London, asked Miss Rosaline Kelly, union president, how many members had been expelled from the union for breaking its code of conduct. She replied: "None, probably because our vetting procedure is so good."

She added that the only exclusions the union had made were Mr McCalden and another member of his party.

Mr. McCalden said he was attacking the decision to exclude him on the grounds that the union did not have a right to exclude him the first time his case was considered because it did not have a rule which covered his case.

The second time the matter was considered it was under a new rule brought in by the union which, he claimed, was not democratically arrived at.

"They singled me and my colleague out for special treatment because of our previous racial writings."

The hearing was adjourned until January 7.

Trustees concerned over pension proposals

BY ERIC SHORT

THE ASSOCIATION of Corporate Trustees has expressed its concern to Mr. Stanley Orme, Minister of State for Social Security, over the Government's proposals for member participation in occupational pension schemes.

It emphasised that the trustee, or body of trustees, sole concern is the interests of members and its independence must be unfettered. It felt that the proposals could subject trustees to controls beyond the trust deed and general trust law and this was a matter of vital concern.

The Association also questioned the Government's proposal to legislate for the provision of information concerning the pension scheme. It considered that it would add greatly to the costs of trusteeship, investment advice and general administration, and felt that it would not be of much value to the ordinary member of the scheme.

It recommended that a code of conduct would be much easier to operate than attempting to cover all aspects of pension matters by legislation.

Callaghan urged to ration petrol

PETROL RATIONING and the abolition of tax benefits to company car users were urged yesterday by the Transport and Environment Group, which claims to represent some 5m. people in 28 national organisations ranging from Friends of the Earth to Women's Institutes.

In a letter to the Prime Minister, Mr. Peter Mansbridge, the group's chairman, suggests reintroduction of petrol rationing to make motorists think twice before using cars.

Protest over port closure plan

DOCKERS from many parts of the country joined marchers in Preston yesterday to demonstrate against proposals for a phased closure of the town's port.

The Transport and General Workers' Union gave a warning that closure would be catastrophic both industrially and socially. Mr. Tom Cronin, national docks and waterways secretary, offered Preston Council the union's co-operation in finding ways of making the port pay

Although the finances of the port might be a cause for concern, the union was not convinced that the proposed closure was either logical or justifiable.

At Hull, an unofficial strike by dockers over manning continued yesterday but the men are expected to be back at work to-day. On Wednesday 1,500 men walked out over the allocation of four colleagues to a special task and 26 ships have been made idle by the action.

Felixstowe ferry crews continued an unofficial strike after failure of talks between the National Union of Seamen and representatives of ferry managements and the ports committee. The strikers have won a redundancy claim but are sticking out for assurances on other points.

Dockers at Portsmouth yesterday reversed a decision to black freight on Britanny Ferries' Portsmouth-St. Malo car ferry service. Dockers from nearby ports are opposed to the service because they fear it will create excess capacity and threaten their livelihoods.

Council decision Page 17

Institute of Directors Convention

WITH TWO by-election victories and two Government defeats in the Commons under her belt, Mrs. Margaret Thatcher was in an ebullient mood yesterday when she addressed more than 2,000 members of the Institute of Directors at the Albert Hall, in London.

The leaders of British industry heard Mrs. Thatcher tell the Government that since it no longer had the authority to govern it must go.

Mrs. Thatcher's attack on the Government was one of the few stirring features of the day. Most of the other speakers adopted a downbeat approach to the economy and the way in which it has been run.

Sir Richard Dobson, chairman of British Leyland, told the Institute that if Leyland were to survive it must have discipline and a "command structure." It could not be managed by a Parliamentary Committee, civil servants, or the National Enterprise Board any more than any company could be managed by its shareholders. It would have to have a leader.

However, Mr. Paul Johnson, former editor of the New Statesman, was warmly applauded for a speech which was critical of the closed shop, though Mrs. Thatcher was notably cool in her remarks about him. "Don't criticise political parties—join them and work from the inside," she advised.

About 2,000 directors atended the convention, which was higher than last year. But the figure still compares poorly with the 5,000 who crowded the Albert Hall as recently as 1974.

Terry Kirk

Mrs. Margaret Thatcher: A call to the Government to go.

This Government must go, says Mrs. Thatcher

THE GOVERNMENT no longer had authority and could not govern much longer, Mrs. Margaret Thatcher, Conservative Party Leader, told the annual convention of the Institute of Directors yesterday.

Against the background of last week's two by-election defeats for the Government and the defeat on two divisions in the Commons early yesterday morning on the Dock Work Extension Bill—the Government "must go," she declared.

After an impassioned speech by Mr. Paul Johnson on the "closed shop" issue, Mrs. Thatcher said that any person expelled from a union should have the right to take his case to the courts.

"We cannot carry on with a system where it pays a man more to stay out of work than to go to work."

Public spending

Mrs. Thatcher attacked the present state of the "mixed economy." It had become a "nonsense phrase" and had been used to justify the extension of Government into almost every aspect of business.

"The mixed economy has produced a situation where the investment, pricing and wages policies of private enterprise are formed in response to political rather than economic considerations.

The growth in Government had resulted in a substantial rise in public spending.

"Public ownership has been extended, and more taxpayers' money has been pumped into companies that no prudent banker could go on supporting for long."

Government spending was now so high "that we have penal levels of direct taxation and a system that discriminates savagely against income from private savings. Yet, despite these levels of taxation, the Government still needs to borrow on a massive scale.

"It has been obliged to pitch interest rates at a record postwar level. Even this has not been enough, and the Government has resorted to printing money to try to pay for its own spending."

No alibi

"The living standards of entrepreneurs, managers and skilled workers have been squeezed by the impact of taxation, salary controls and inflation." There was now a sense of despair and hopelessness among the wealth-creators.

"They perceive the increasingly political character of the business world while they, along with many others, bear the personal cost of financing more Government. The matter can be put quite simply. There is a vendetta against success. That is the tragic truth."

A Conservative Government, in approaching the economy, would be more precise about what the "mixed economy" really meant.

It should not be the alibi for endless political intervention. It should define the respective roles of the State and the individual.

The true characteristic of the mixed economy was the recognition that Government had a considerable but limited role — and the larger private sector should flourish and expand in response to the choice of the consumer within the framework of public law. On the Government side, this involved setting priorities.

First, there was the overriding commitment to external and internal security. "Second, there is a long British tradition of community provision for education and welfare.

"Third, successive British Governments have assumed a responsibility for the financing and ultimately the management of a range of public utilities.

"The role of Government that I have just outlined is substantial. It gives rise to large-scale public purchasing that obviously spills over into the private sector, although that purchasing should be commercial in character.

Substantial

"The private sector should then operate alongside the substantial but clearly defined areas of central and local government, and public authority activity.

"In that sense we should have a mixed economy where a large profit-motivated private sector co-exists alongside a substantial but defined area of government activity."

An imperative need existed to stop the growth of Government and to re-establish urgently just what its functions were.

Lord Briggs gives his education plans

THE INITIAL stages of education must be sound, said Lord Briggs, Provost of Worcester College, Oxford. He listed six points.

First, unless these early stages were sound, there was no access to anything else. "The community must be prepared to put money there."

Secondly, however many choices were introduced into secondary education, there must be a balance between specialisation and general studies.

"I do not believe that we can ignore the imperative claims of securing a grasp of our own language, of the language of mathematics and of at least one foreign language."

Thirdly, in the moves from secondary to higher education qualities, including motivations, should be taken into account as well as abilities.

"Institutions of higher education should be diverse, offering not one route but many.

"Above all, they should not concern themselves solely, or even mainly, with the preparation of the next generation of academics—a key minority in relation to the transmission and advancement of knowledge but a minority none the less."

Fourthly, every effort should be made to get rid of the "false antithesis" between specialist knowledge and general knowledge. "The objects must always be to tap full potential."

Fifthly, in the shaping process, there should be a balance between the critical and the constructive. Education could not be properly conceived of as a process of fitting people into either existing industry or existing society.

On his sixth point, Lord Briggs said that the education process, by its very nature, was long-term. "What happens in one part of the educational process inevitably influences what happens in another even though people involved in teaching at different stages often tend to be segregated.

Laws a burden for everyone

"WE ARE constantly burdened with new legislation, usually restrictive even to those for whom it is designed to help," Lord Erroll, president of the Institute, declared, opening the convention.

"Everywhere we look there are changes, some good, some not so good, depending upon one's point of view. New products, new and ever faster methods of communication are two examples.

"There are new Government departments, usually clumsier than the ones they replace, new counties with strange names, and old countries with new names.

"In Britain we have new taxes and new and usually higher rates on old taxes," Lord Erroll said.

'Freedom menaced by union demands'

THE union closed-shop battle was a great testing point. "If we cannot beat them over the closhed shop, we cannot beat them on anything," Mr. Paul Johnson, writer and journalist, told the convention.

"There are times, these days, when anyone who loves this country must come close to despair. Nothing, I think, would do more to dispel this mood of despair than a really rousing campaign to fight the enemies of our traditional freedoms on this issue.

"Nothing would light so many candles of hope in British hearts than overwhelming defeat for the closed shop."

If the fight to prevent the establishment of the closed shop as a legal practice was abandoned. "I fear the friends of freedom will lose heart completely. They will say: 'The unions have already beaten and humiliated two governments.' There are already many, in both the great political parties, who believe the unions are invincible.

"Maybe they are right. Maybe the unions are now too powerful to be curbed openly, and we must concentrate our efforts on working within their system."

It was already a fact, Mr. Johnson said, that closed shop firms, under union pressure, would now consider dealings and contracts only from firms which were also closed shop or could prove that they were going to be so. "In short, they will only do business with closed shop firms."

Mr. Johnson said: "The Government's new law merely allows the closed shop to happen. But this directive, in the form of a contract specification, was designed to ensure that the closed shop must happen."

The direct consequence of the new Act would be to threaten with boycott and bankruptcy any firm whose management did not enforce the closed shop. "The Act, therefore, is being turned from a permissive piece of legislation into a compulsory one," Mr. Johnson said.

Leyland needs firm leadership to survive

IF BRITISH LEYLAND is to survive it would have to have discipline and a "command structure," said Sir Richard Dobson, chairman of British Leyland.

It could not be managed by a parliamentary committee, civil servants or the National Enterprise Board any more than any large company could be managed by its shareholders. "It will have to have a leader," Sir Richard said.

Commenting on the theme of participation with Government, he said: "Participation is not abdication. Indeed, it is clearly understood that executive responsibility still rests with management."

In its cars group, British Leyland had a "tragic history. At this moment we can sell all the cars we can make and more. British Leyland designs are equal to any in the world.

"Some of the plants are sadly out-dated and the massive investment which is planned is intended to put that right. But even in the present facilities it is possible to produce many more cars given only industrial peace and productivity approaching that of our foreign competitors."

Commenting on what was wrong with the industrial relations of British Leyland and with the British car industry in general, Sir Richard said: "Clearly feast and famine in production requirements in the past have led to widespread disenchantment.

Exaggerated

"Even without stop-go policies it is impossible to plan precisely the output that will be required of an assembly line three years hence, and weak management, faced with intransigent labour in boom conditions has led to over-manning."

Changes in processes had only exaggerated the problems inherent in a highly complicated wage structure. Differentials between skilled and unskilled work had been eroded and certain units were now so big that some people believed they were unmanageable.

Most of the work that went into the making and assembly the motor vehicle was dull a repetitive but it was an in that, while job enrichment seen to be desirable, "engin are everywhere striving, in pursuit of perfection, still ther to reduce the skill neces for any action or series of em

The chief executive of Bri Leyland must be numbe among those who governed consent, said Sir Richard. and order would emerge, i all, by consent and not by c pulsion.

Anomalies

"The interlocking natur the Leyland Cars organis has the effect that quite a number of people, by withd ing their labour at one p can bring whole factories halt, some of them miles from the centre of the disp

Disputes this year had into "hundreds" and had great harm to the company little good to the work f The company recognised there were anomalies in the structure but for the time it could not do much about

"The Board and the ma ment know precisely where stand. The Government clearly indicated that the sums of money to be invest British Leyland will no forthcoming without a sistent improvement in p tivity."

The unions for the most were behaving with a degree of responsibility. their new power has com realisation that the collap Leyland will do irreve damage to their constituen indeed to the country at

Although the incomes had largely taken pay di out of the arena for the being it must be credited policy of "Participation" part of management and co-operation that labour di —although heavy this year been less than half in the period of last year in te man hours lost.

"If next year we can hal lost hours again, Leyland will be well on the way cover," Sir Richard said.

Government blamed

IT WAS governments, not managements, that had brought Britain into its present parlous state, Mr. Denys Randolph, chairman of the Institute of Directors, told the convention.

"All we ask is to be given the climate so that we can get this nation back on its feet again. We, the business leaders, know what should be done. The country simply can't go on living beyond its means in a competitive world."

The country was "plagued" by small minorities "with power far beyond their size who, for their own political gain, want chaos for they believe that out of chaos they will rule."

No acceptable alternative

"IF WE WANT sound economics, sound morality, a sound community we must first have a sound people, and there is no workable acceptable alternative to that," said the Very Reverend Martin Sullivan, Dean of St. Pauls.

One of the burning topics of the day was race. Bring these topics to the arbitrament of "love" and "truth."

All industry must truly serve humanity—Swann

TRADE UNIONS had become so fiercely protective of their members' pay packets, "largely to the exclusion of other concerns and accountabilities, most noticeably to the rest of society" partly as a result of their history, said Sir Michael Swann, chairman of the British Broadcasting Corporation.

"One sees this most clearly in the nationalised industries, where not only are employer accountabilities inevitably weakened, but where strikes hurt most of all, not the people in charge—as strikes were designed to do—but the unfortunate public."

He believed that there should be a shift towards seeing the whole of industry as a service to humanity and away from seeing it as an organisation from which a limited group—proprietors, managers or workers—extracted what they could.

"In 25 to 50 years both sides of industry will look back in astonishment on what they took to be standard practice in 1976.

"The only question is whether this backward look is from some totalitarian stance that has abolished in all but name both the private sector and the trade unions—for that is what tarian regimes do.

"Or will it be from the of a free society that has a its negative feedback t ideas and accepted the that all of industry mus serve humanity?"

Earlier, Sir Michael sa the Press and broadcasti become a major and e part of the complex "fee system on which the stab large societies depended.

Commenting on the in of television, he said that research on its influence tion campaigns—and most acquired their political i tion from television—had that the proportion of "fl voters was more than 50 p

"In view of the poi balanced nature of tele perhaps this is only wh might expect. But it doe worrying prospects.

"Has it, for instance, thing to do with the increasing difficulty of go the country? If so many change their minds so can any Government rely continuing popular suppo need if they are to g governing?" Sir Michael

STAMP MEMORIAL LECTURE 1976

Sir Eric Roll blames 'ultimate principles' in economics

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ULTIMATE PRINCIPLES — whether of pure free market doctrine or collectivism — should cease to be invoked, at least in the daily interchange of practical economic-political debate, Sir Eric Roll argued in London last night.

In the London University Stamp Memorial Lecture, Sir Eric said: "Neither intellectually nor in practical terms is the new fashion of relating current policy prescriptions to pure, free market doctrine helpful . . . I consider the cliches of collectivism as equally inappropriate. Indeed since the latter have more chance in our society to influence action than the former, they are more dangerous."

"Both derive from what is no doubt a deep-seated human urge, namely, to have simple formulae that can be taken as axiomatic and that avoid the painful choice between practicable alternatives —practicable in terms of the social, political and, indeed, economic realities. In the extreme cases of price/free market fervour (and in much of extreme monetarism) there is also evident the desire for automatic decision (ostensibly out of distrust of the capacity and disinterestedness of the deciders) which I regard as ultimately inimical to the evolution of a rational and civilised way of dealing with these matters."

Sir Eric, who is now chairman of S. G. Warburg and Co., an independent member of the National Economic Development Council and a former senior civil servant, asked whether there was any hope "that a new political economy could be developed which would have a substratum of theory concerning the behaviour of modern economic man as well as a new theory of liberty and justice?"

"Is there any hope that a new political economy could in combination with the new insights which modern economics, in its narrower, analytical sense, has made available, serve as well as a similar combination did with classical political economy a long time ago?

"I am not very hopeful, but the search for such a new political economy may help to guard against the ideological excesses against which I have warned and against the dangers of an economic technology—of 'economic engineering' — to which modern economic techniques may predispose Ministers and administrators alike."

Sir Eric also raised the question of the relations between Government and business and the uncertainties created not only by changes of Government or of the balance of opinion with the same Government, but also by the element of arbitrariness within all decisions.

He pointed out that in some, perhaps in many cases, in which permits, licences, orders, funds and so on are at stake, the power of an official, a Minister, or a statutory Board can literally amount to the power to decide, commercially speaking, who shall live and who shall die.

Sir Eric pointed to the fact that U.S. business operates within a more clearly-defined set of rules than in the U.K. While highlighting the concern in the U.S. about the growing assumption of power by statutory agencies and the major role of the lawyer in business decisions, he maintained there was also something to be said on the other side.

"I am not sure that answers to certain difficult questions, for example those which balance monopoly against other considerations, are best reached by Ministers advised by officials rather than by a statutory body, though I know that this view runs counter to a strong British tradition.

"However, if the number and complexity of the individual cases coming before senior officials and Ministers is going to go on growing at the rate they have in recent years, a much greater delegation of decision to statutory bodies may be inevitable, and, if for example, the rules governing the takeover of public companies are to have increasingly the form of law and effectively the force of law, and if the manner in which they are administered is to approximate more and more to procedure in a court of law, then the question whether the citizen and the businessman would not be better off with a Securities and Exchange Commission, can no longer be lightly dismissed."

Sir Eric said he suspected that the tendency to delegate many decisions away from Ministers to various Boards will in increase, and that this w an increasing strain o British propensity to lea aspects of regulations vag to be settled case by ca much closer statutory def of the powers and dut Boards and similar agenc the institution of procedures more akin to legal ones wi become inevitable.

The bulk of the speech ever, was devoted to disc the influence of alter ideologies on economic their relevance and comings. He pointed ou example, that the "solut the problems of incentives ency, individual freedom equality, economic growt avoidance of inflation as v maintenance of a high le employment is not in my likely to be furthered eit reference to somewhat quated social philosophical lation or by the repetiti slogans. A high level of tion does not necessarily d incentives as quickly as people claim. On the hand, there is little evi that it promotes equality—i by redirecting the cha through which incentives op it may produce—perhaps already produced a society less approaching the ide the equaliser, or, indee liberals.

Sir Eric Roll—Economics, Government and Business (Stamp Memorial 1976). University of London. The Press. £1.00.

If you've a problem we'll give you a hand, or a harvester, or a computer, or...

By supplying expertise or hardware, we help ɔt of people solve their problems – in the UK, Europe, and throughout the world.

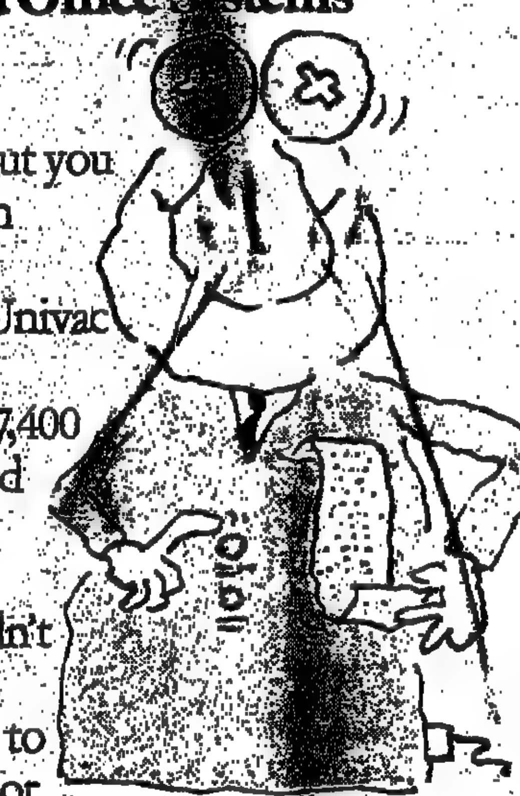
We can do this because we're a Corporate tity. We think that's a good thing to be. There are engths and advantages – the cross-flow of ideas, e exchange of information, the strength of unity, d the muscle of investment, giving all within the oup a real chance to grow.

But the disadvantage of being a Corporate tity is that some people who we could be lpful to, or could be helpful to us don't know 10's who or what's what within the organisation.

Since we'd like these people to know who d what, we're presenting a list of our activities.

Perhaps we can help you, whether as a airman of a company, a member of a company, simply as a fellow member of the human race.

Computers and Office Systems



We're pretty big in mputers.

But don't let that put you – we're pretty small in nputers too.

In fact our Sperry Univac rld-wide computer tallations add up to $7,400 llion and are employed o many different acities in so many erent places we couldn't them all in one ad.

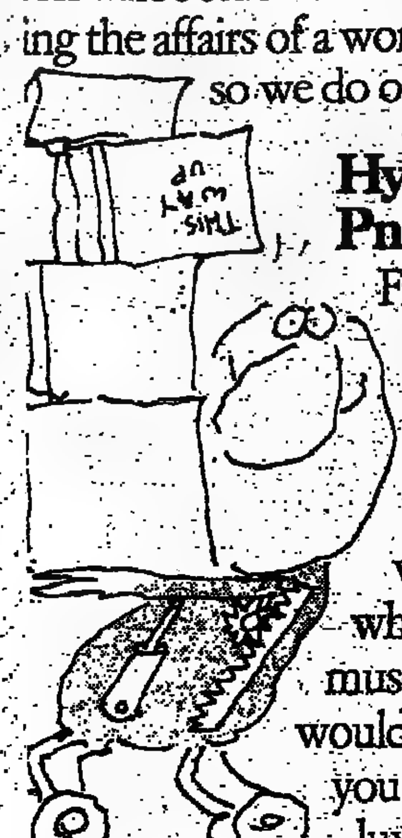
But you don't have to a factory, or a railway, or airline, or a bank, to call on us for help although ou are any of these, we can drop a few names ich will reassure you as to our qualifications.

And we're interested in your offices. They conite the brain cells of any industry and working hem can be efficient and exhilarating or plain ody drudgery and muddle.

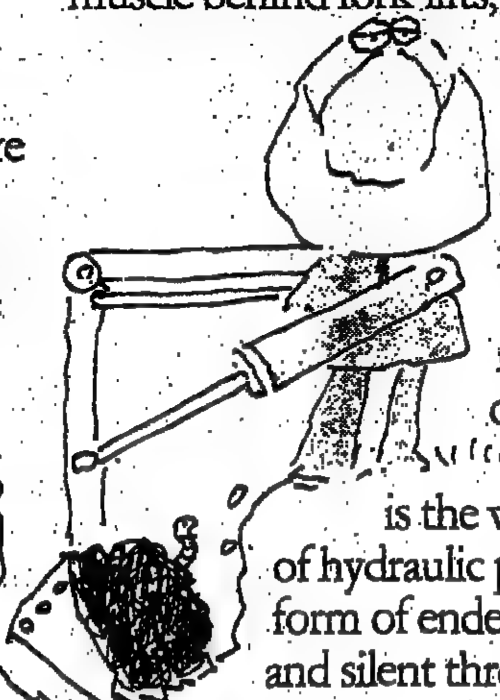
We make computers and machines which ble the first of the alternatives to be achieved – ipment varying from simple filing systems to nplex management information systems.

Filing may not sound glamorous, but to the son who's stuck with it it's as important as coming the affairs of a world-wide banking concern, so we do our best for both of them.

Hydraulic and Pneumatic Systems



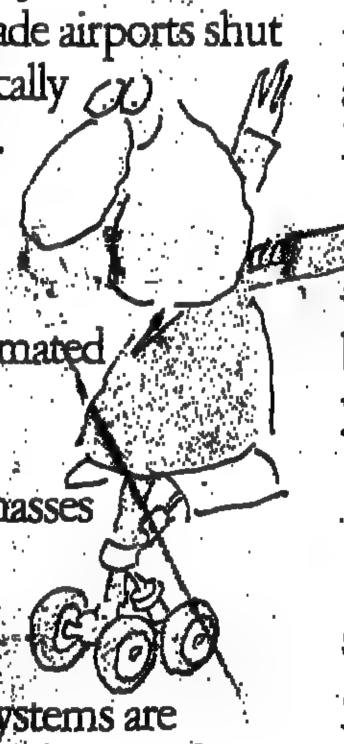
Fifty years ago Harry Vickers invented the first efficient low-cost high pressure pump for hydraulic control systems. (Just as well – in order to raise the wheels of a modern airliner by muscle power, the interior would resemble a slave galley, and you could forget about such luxuries as passengers.)



Today Sperry Vickers hydraulics provide the muscle behind fork-lifts, earth-movers, cranes, and other industrial 'heavies' – inside the factories Sperry Vickers pneumatics provide the precision control for such delicate operations as plastic injection moulding and machine tool operation.

In fact, Sperry Vickers is the world's largest manufacturer of hydraulic pumps and valves. It's a form of endeavour which runs unseen and silent through every part of industry and technology, but though unseen (if you'll permit a joke), we've got a lot of push.

Guidance and Control Systems

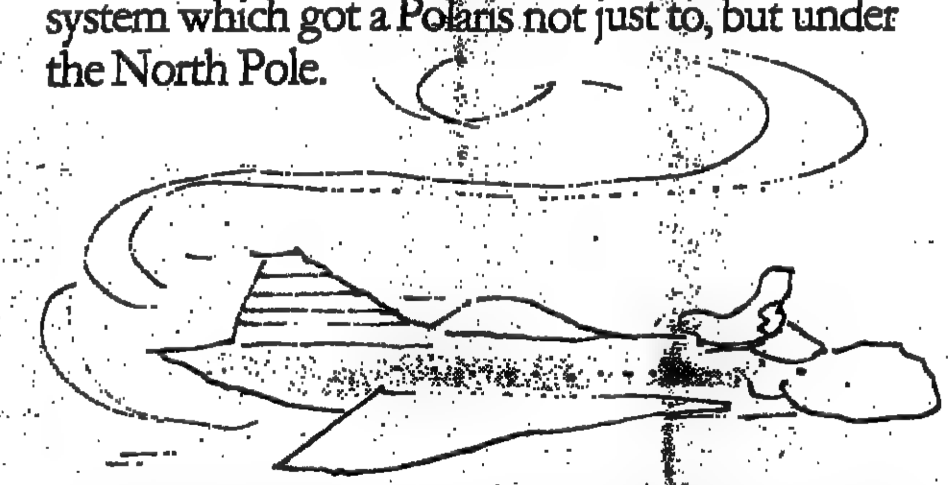


Until recently bad weather made airports shut shop and left aircraft seeking frantically for a bare patch to bump down on.

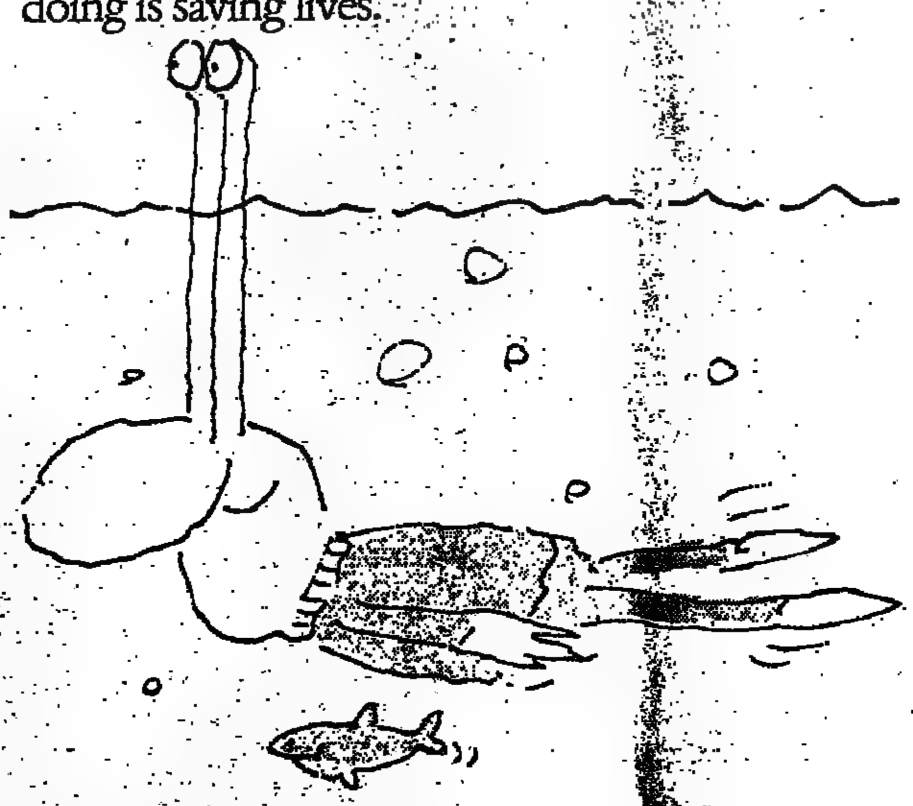
Today, Sperry automated landing systems assure safe touchdown even under zero visibility.

And our Sperry Univac Automated Radar Terminal Systems cope with what was once thought to be the insoluble – the ever-increasing masses of aircraft occupying an ever-diminishing amount of air space.

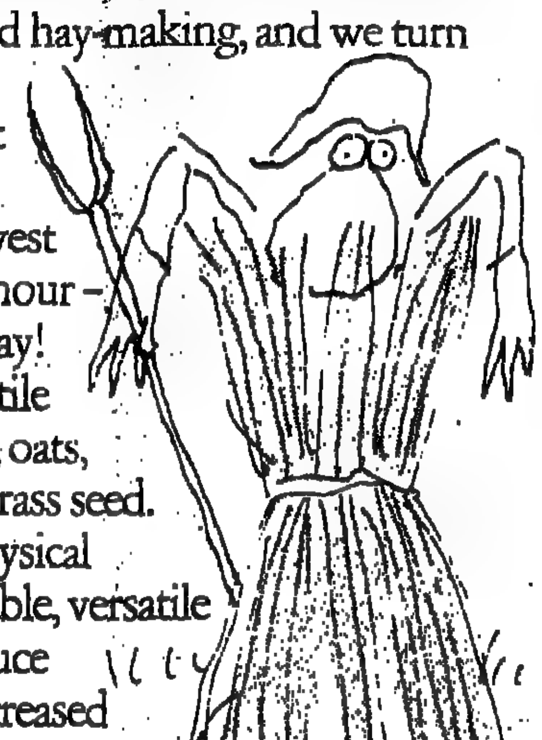
An ever-increasing number of Sperry navigational and guidance systems are being used for aircraft and surface and sub-surface shipping. For instance – it was a Sperry guidance system which got a Polaris not just to, but under the North Pole.



Of course all this is not just about submarines, or aircraft, or trucks, or trains; these devices are usually stuffed full with mankind's most precious commodity – people. So in the end what we're doing is saving lives.



Agricultural Equipment



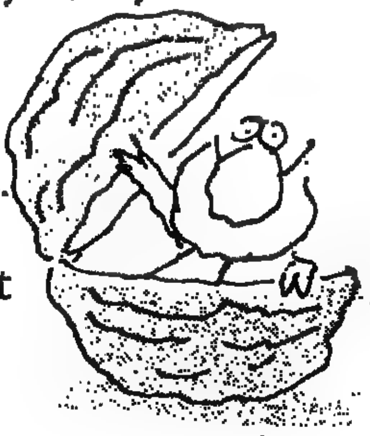
Sperry New Holland is the largest manufacturer of specialized agricultural equipment in the world. One of our 'firsts' was an automatic baler which revolutionized hay-making, and we turn quite a few heads with a harvester that allows one man in one machine to harvest six tons of grain an hour – 60 tons on a good day! A harvester so versatile it can harvest wheat, oats, barley, maize, even grass seed.

Beyond the physical presence of the durable, versatile machinery we produce is the promise of increased efficiency in the handling of precious resources, more food for a hungry world and a bit more ease for the farmer's aching back. It's what we mean when we say 'making machines do more, so man can do more'. And if giant harvesters aren't quite your thing – we've probably got something going in your bathroom. The next time you're shaving, reflect – you're using a shaver from Sperry Remington.

If you're not, you're using the wrong shaver.

In a nutshell - Sperry

Sperry is a Corporate Entity comprising six successful divisions. Sperry, Sperry Flight Systems, Sperry Univac, Sperry New Holland, Sperry Vickers and Sperry Remington, creating wealth, work and work opportunities with 17 factories and over 23,000 employees in 15 European countries; six major plants and over 6,600 employees in the UK alone.



If you think we can help you, or you'd like to know more about us, just tick the appropriate box, or boxes, in the coupon provided, and post to us at the given address.

If you've a particular enquiry which the boxes don't cover, drop us a line, we'll be pleased to help.

Please send me information on the following:

- Computer Equipment and Office Systems
- Guidance and Control Systems
- Agricultural Equipment
- Hydraulics and Pneumatics
- Consumer Products
- Annual Report

Tick the boxes for the subjects you're interested in and post to:
Sperry Rand Limited, 78 Portsmouth Road, Cobham, Surrey KT11 1JZ.

Name
Company
Address

SPERRY
SPERRY RAND CORPORATION

Making machines do more, so man can do more.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● DESIGN

Industrial Avon sets a record

PERFORMANCE equivalent to well over four years' continuous running has been achieved with a Rolls-Royce Avon gas generator installed at a site in Oman for power generation on behalf of Petroleum Development (Oman).

This world record has been set up with an engine which had already run 10,400 hours prior to overhaul before delivery to the desert site at Fahud. No major components have been replaced since then and the unit has had to put up with temperatures most of the time above 100 degrees F and peaking at about 135 degrees F in the shade.

The previous record for endurance had been set up in Canada with another Avon recording 33,558 hours before overhaul. In the latter case the extremes of temperature were recorded down the thermometer at minus 45 degrees F.

The industrial Avon has so far achieved sales of 760 units and Middle Eastern operators have taken over 100, together with 14 Olympus units for oil and gas pumping/compressing and for power.

In North America, ten Avons are operating with 30,000 hours behind them without overhaul, while seven have passed the 33,000 mark.

These are extremely good performance figures even for this engine with its long-standing reputation for high reliability—one of the reasons for its use in key pumping jobs.

Rolls Royce Industrial and Marine Division, POB72 Ansty, near Coventry, CV7 9JR. 0203 613211.

● BANKING

Natwest in £11m. order

TAKING ADVANTAGE of the considerable improvements in electronics technology over the past few years National Westminster Bank has decided to start on a programme of replacing its existing branch and headquarters computer terminals.

Some £11m. worth of the new B 80 Burroughs small computer systems—around 2,000 in all—have been ordered and these will progressively take over from the Burroughs TC500 and later marques installed by the bank to carry the accounting burdens in its branches and communicate with the large headquarters computers.

The TC500's have provided stalwart service to all the major banks with the exception of Lloyds. But they are becoming a little long in the tooth, particularly as the central services seek to improve the efficiency of their operations.

It is to be expected that further orders for this and similar computers for branch operations will be placed with Burroughs by its other large banking customers in the not too distant future.

At the moment, Natwest has some 5,000 TC type terminals at work. They cover 3,300 branches, overseas departments, trustees, registrars, money books, etc.

B 80 is a very recent development, announced in April this year by the company.

● HANDLING

Frankfurt's waste gets big squeeze

UNSEGREGATED waste from Frankfurt, is being processed by a new transfer station on the outskirts of the city.

Anchorpac P-60 refuse compaction equipment squeezes the rubbish to a fraction of its former bulk before packing it into hygienic sealed containers for final transfer to the nearest tip 25 kilometres distant.

Local contractors Rheinwald recently commissioned the new station which handles industrial refuse from the Frankfurt area together with civic amenity refuse.

The equipment has a 46 tonne thrust which compresses the waste into 28, 30 and 40 cubic metre containers giving payloads of up to 20 tonnes.

Designer and builder of the P-60, Anchorpac, is at Bell Lane, Amersham, Bucks.

● PROCESSING

Versatile dough mixer

DOUGH FOR a variety of products, bread, buns, cakes, or biscuits, can be mixed in one machine by selecting the requisite process on the control panel. It is claimed that the machine fulfils this multi-purpose role without any downtime, as no change parts are required when switching to a different product.

Called the Versatex, it has bowl capacities of 200 or 300 litres. The stainless steel bowls are mounted on castors. When wheeled into position at the base of the mixer they automatically locate, and are elevated to the head of the mixer to receive the mixed dough, of whatever type.

The machine is built with a heavy fabricated frame to reduce vibration, and is powered by either a 25 or 40 hp motor. It will start instantly on full load. If small amounts of dough are required to fill a production gap, it is stated that the machine will economically produce a mix when filled to just 10 per cent. of bowl capacity.

Details from Baker Perkins, Westwood Works, Westfield Road, Peterborough PE3 6TA (0733 262000).

● RETAILING

Automation in Scottish stores

GOLDBERG'S, THE Scottish department store group is to extend use of IBM's 3650 retail store system to a further nine stores in Scotland. A total of 90 computer-based cash registers are already installed in Goldberg stores in Edinburgh and Candleriggs, Glasgow.

Registers in the nine other stores will be installed on "store loops," which in turn will be linked by telephone lines to a computer controller in Glasgow.

Merchandise for the stores is issued from Glasgow and over 80 per cent is now ticketed with magnetic-striped labels. A wand attached to the register is used to read the labels as the goods are sold, the information being captured by the central controller. As all Goldberg's registers are connected to the controller in Candleriggs, the information captured is used for centralised accounting and merchandise operations.

The 3650 consists of a point-of-sale terminal, a merchandise ticket encoder, a visual display-based purchase order/goods receiving terminal and an in-store controller.

More from IBM on 01-935 6600.

● METALWORKING

For milling heavy parts

A FLOOR-TYPE boring, milling and drilling machine capable of machining workpieces weighing up to 50 tons is being built by Giddings and Lewis-Fraser, Arbroath, Angus (02414 3811).

It will be available with either a 130mm. or 150mm-diameter spindle, having up to 1,220mm horizontal travel and powered by a motor of up to 40 hp. Various headstock and column travels are available, up to a maximum of 3,050 mm. Any length of floor runway can be supplied.

The machine has a three-way column, non-metallic way liners, independent electro-servo drives to all axes, ball screw drives for Y and Z axes, infinitely variable spindle speeds and a two-pinion anti-backlash drive for column motion along the runway. Complete control is from a pendant.

A stand-alone automatic tool-changer with capacity for up to 100 tools is available. Other auxiliary equipment includes floor-plates, auxiliary slides and rotary tables.

The machine is available for manual control, dial-in control, or with the Giddings and Lewis CNC 800M computerised numerical control. The maker is a subsidiary of Giddings and Lewis, Wisconsin, U.S.

● TRANSPORT

Leopard is given more muscle

DEMANDS on coachbuilders for more amenities in the vehicles they sell to operators — toilets, bars and/or galleys for long-distance units, for instance—has led Leyland to uprate versions of the Leopard coach chassis.

Axle and spring ratings are being provided which the engineers believe will cope with any possible demand increasing gross weight.

Option higher weight versions of the PSU4 and PSU3 go up a ton to 14 tons gross while PSU5 rises to 15 tons from 13½.

Further from the company at Leyland, Preston PR5 1SN. 07744 21400

● ELECTRONICS

Clear trend in circuits

ACCORDING TO Motorola some clear trends in European semiconductor usage are developing, particularly in microprocessor components. The company also offers some predictions to 1981.

The encouraging feature is that in spite of some rather low growths in European gross national products, increase in semiconductor usage, at least for the next year or two, will continue to be in the 15 to 25 per cent. region.

The U.K., for example, will probably have a GNP increase in 1976 over 1975 of perhaps 2 per cent., whereas the consumption increase (in money terms) of semiconductors will be about 20 per cent. Interestingly, although West Germany's GNP increase is running at about 5½ per cent., her semiconductor consumption growth is also in the 20 per cent. region and is likely to be less than Britain's next year, the latter having some ground to make up.

No vast changes are expected in the division of the market between industrial (25 per cent.), communications (22 per cent.), computers (19 per cent.) and consumer (34 per cent.). Communications usage by 1981 might rise to 26 per cent., while consumer sales could sink to 30 per cent. The total by 1981 of all West European semiconductor sales is predicted at $2,500m.

The types of devices being purchased, however, will have changed markedly, predicts Motorola. Discrete components, 71 per cent. of the total in 1971, will be about 52 per cent. this year and will have dropped to 40 per cent. by 1981. The three figures for MOS integrated circuits, on the other hand, are 4, 14 and 24 per cent. respectively. Linear and bipolar digital circuits will hardly change at about 15 per cent. each.

Motorola's figures for microprocessors show that by 1980 microprocessor sales in Europe (about two-thirds implemented in MOS of one kind or another) will have reached $255m.—about ten times this year's total. The other one-third of sales will be shared roughly equally between bipolar and, by then, new technologies such as I-squared.

Of considerable interest is the way micros are being used at the moment. Some 61 per cent. of European usage is in eight-bit structures, 20 per cent. in 16-bit, the remainder in 12, 4 and 2. Sixty per cent. of users buy standard packages, 29 per cent. kits and 23 per cent. boards: over half work in the two- to ten-microsecond region.

So far as memory is concerned, most of it — some 38 per cent. — is installed in the four to eight kilobyte bracket, only 15 per cent. over 8 k. As a result, claims Motorola, 40 per cent. of the cost of an MPU is resident in the memory, only 20 per cent. in the CPU.

It is in the area of software where Motorola seems less concise — they make no cost estimate, whereas it is widely felt in the user field that at least 100 per cent. addition to hardware expenditure must be made.

The company also had an interesting response to a questionnaire answered by both new and old users (in unknown ratio), enquiring about the non-technical criteria for purchase. Some 69 per cent. cited availability, 50 per cent. price, 44 per cent. documentation, 41 per cent. technical support, 41 per cent. vendor reputation, 37 per cent. second sourcing and then, but only then, 37 per cent. quoted software support.

There are at least two possible conclusions: that the cost and problems of software are still not appreciated, or that buyers seek their software advice from other sources.

● SECURITY

Callers can be seen

REMOTE VISUAL identification of visitors arriving at a normally locked main entrance or domestic front door becomes possible with a system offered by Emergency Warning Systems, 44 Osnaburgh Street, London NW1 3NL (01-388 7241).

Imported from Italy and installed and maintained by the company's U.K. service force, the equipment permits the occupants of a building not only to speak to callers but to see them as well, by day or night, before deciding whether to admit them by operating an electric door release.

Applications are likely in blocks of luxury flats, banking and commercial premises, diplomatic premises, some public buildings and private houses containing valuable collections.

The front door panel contains a TV camera with a wide angle lens protected when not in use by an iris to prevent possible camera tube damage. There are two 20 watt lamps set at each side of the lens for night use. The panel is completed by loudspeaker, microphone and an appropriate number of call buttons.

Each monitor station in the building has a six-inch screen which hinges away when not in use, brightness and contrast controls, phone handset and door release button.

When the button on the door panel is pressed the monitor unit is activated while conversation takes place and is switched off when the door release mechanism is operated or a set time has elapsed.

The equipment is available on a rental basis: a simple single door, single monitor system would cost about £200 a year but the cost would reduce proportionately when more monitors are connected, as in a block of flats.

● SAFETY

Detector fits several circuits

AN IONISATION smoke detector designed to fit a range of different fixing boxes, which can be selected to suit several types of fire alarm circuit, has been introduced by Chloride Gent, Faraday Works, Temple Road, Leicester, LE5 4JF (0533 20315).

The detector is a dual chamber model said to respond quickly to both fast burning "clean" fires and slow smouldering fires; it is fitted by a simple plug-in and twist locking action.

The dual chamber allows for compensation for pressure and humidity changes, minimising false alarms. For back-up protection, a thermal link is fitted, set to trigger at 88 deg. C.

Visual indication of an alarm is given by an LED on the detector grill—in addition, a remote LED can be fitted. Main alarms are through the different fixing bases.

These are available for two wire sunken systems; are fitted with a built-in relay for systems using three or four wire circuits; or are supplied with a transformer and two relays for mains operated smoke switch functions.

A shorting link is provided to maintain the circuit if a detector is removed. The detectors are stated to be Underwriters Laboratory approved for an area of about 30 feet square.

● COMPUTING

U.K. Coral as world language

IN WASHINGTON next week, a committee will consider the adoption of Coral 66 by the International Standards Organisation as a real time language for industrial real time processing.

Putting the case for Coral 66—developed entirely in Britain—will be Mr. K. Thompson of the U.K. National Computing Centre, and Mr. N. J. F. Neve of the Royal Signals and Radar Establishment. Mr. Thompson is chairman of the corresponding British Standards Institute working group (BSI/DPS 13/WG2) which is also considering the adoption of Coral 66 as a British Standard.

The language, first developed in the U.K. for military use, is currently being considered for adoption in the U.S. as a Defence Standard.

Coral 66—Computer On-line Real time Application Language—was chosen in 1970 by the U.K. Ministry of Defence as an inter-service standard for military programming for weapon systems.

More from NCC on 061 228 6333.

A FINANCIAL TIMES SURVEY

RETAILING

The role of the retail trade in the social and economic fabric of the country is to be the subject of a special Survey in the Financial Times on Tuesday, December 14. The Survey will examine the key issues affecting retailers and their suppliers and their effect upon the public.

The part the industry has played and is playing in the fight against inflation, against the background of the Price Code will be discussed. The consequences for the retailing sector of the equal opportunities and the closed shop legislation will receive particular attention.

The Survey, which will reach the wide readership of the Financial Times among leaders in politics, in central and local government, in public administration and banking and finance, will assess the significance of the industry to the economic health of the country.

The editorial synopsis below outlines the proposed content of this important Survey.

Date: NOW Tuesday December 14

1. **Introduction.** In the last three years retailers have been at the forefront of the battle against inflation. Not only have they had to deal with the problems caused by the Price Code and the Price Check scheme, as well as other Government measures, but also with the public's acrimony about rising prices. With profits under unprecedented pressure, shops have closed and investment has been cut back. In some ways, however, the industry may now be a more efficient business than it was before but retailers argue that unless the pressure is taken off them, irreparable damage will be done.
2. **The Price Code.** Recent Price Commission figures suggest that retailers' profits are recovering more slowly than those of manufacturers. Assuming price controls continue after July next, the kind of control retailers would advocate.
3. **Employee Relations.** Traditionally a low pay industry, retailing has had to contend with equal pay for women and the social contract. What this has meant in terms of costs and employment. Consequences of closed shop legislation. Training.
4. **Property.** With many of the big groups selling off their smaller shops, the market for secondary shops has weakened. The future of the High Street as a centre for shopping.
5. **Advertising.** Faced with static volume, retailers have been using the media to buy sales. Other forms of promotion.
6. **Distribution.** The steps to cut down on distribution costs, most notably in food retailing but now increasingly in other sectors.
7. **Retail Sales.** How they are influenced by other factors, such as savings. Areas which have suffered worst as a result of the recession and how consumers have reacted to higher prices.
The following articles will deal with specific sectors:
8. **Food Shops.** Showing a recovery in gross margins but the squeeze on profits has already led to an unprecedented number of store closures. Trends to out-of-town.
9. **The Co-op.** Has the Co-op finally managed to reverse the steady decline in its fortunes?
10. **Independent Retailers.** The scope for voluntary groups outside food.
11. **Mail Order.** Traditionally the growth in mail order has outpaced that of the rest of the retail trade, but last year mail order sales fell behind prospects.
12. **Department and Other Stores.** The Big Four—Marks and Spencers, British Home Stores, Littlewoods and Woolworths. How department stores have reacted to the growth of variety stores and specialist durable shops. The threat posed by superstores.
13. **The Rag Trade.** Still very fragmented, but the multiples are making inroads. What is happening in menswear sales.
14. **Footwear.** Subject to Government inquiry. Will changes be forced on the industry?
15. **Durable Goods.** The development of specialist chains in areas like electrical goods.
16. **Security.**

The content and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

For further information and advertising details please telephone A. J. Brown 01-248 8000 Ext. 246.

CONTRACTS AND TENDERS

Democratic and Popular Republic of Algeria

MINISTRY OF INDUSTRY AND ENERGY

SOCIETE NATIONALE DE L'ELECTRICITE ET DU GAZ

"SONELGAZ"

INTERNATIONAL INVITATION TO TENDER

An international invitation to tender has been launched for the supply of gates to equip the gas pipe-line Centre 42 of "HASSI R'MELOUED ISSER" and its complementary works.

Tender documents may be obtained from SONELGAZ — Service Engineering Gaz 2, bd. Salah Bouakouir — 3rd floor ALGIERS (Algeria) as from 27th October, 1976.

Tenders should be submitted by December 15th, 1976, at the latest.

BOND DRAWING

ROUSSEL-UCLAF

7% 1967/1979 Loan of FF 60,000,000

Bonds for a nominal amount of FF 4,502,000 have been drawn for redemption in the presence of a Notary Public on October 29, 1976.

The drawn debentures are those not yet previously redeemed, included in the ranges beginning:

001 to 4108 inclusive, and
59021 to 60000 inclusive.

The drawn debentures are redeemable, coupon No. 10 and following attached, as from December 15, 1976.

Amount bought into the market: FF 1,498,000.

Amount called for redemption: FF 5,000,000.

Amount outstanding: FF 15,000,000.

Outstanding drawn bonds: 8424 to 8426 inclusive, 8056, 8065 and 8066, 45821 to 45827 inclusive, 47486 to 47491 inclusive, 51046 to 51055 inclusive, 53686 to 53695 inclusive, 53698 to 53707 inclusive, 53855 to 53869 inclusive, 53873 to 53905 inclusive, 53912 to 53918 inclusive, 54078 to 54087 inclusive, 54218 to 54219 inclusive, 54378 to 54382 inclusive, 54420 to 54430 inclusive, 54443 to 54452 inclusive, 55078 to 55080 inclusive, 55106 to 55138 inclusive, 55180 to 55189 inclusive, 55638 to 55640 inclusive, 55805 to 55812 inclusive.

Luxembourg,
November 12, 1976.

Trustee
KREDIETBANK
S. A. Luxembourgeoise

PUBLIC NOTICE

LOCAL AUTHORITY BILLS

Issued 10th November 1976 due 9th February 1977 at 13⅝%. £1m. M.B. Stockport (applications totalled £8m., £2.9m. bills outstanding). £1.9m. Leicester City C. (applications totalled £13.3m., £1.9m. bills outstanding).

MEMORIAL SERVICE

A SERVICE OF THANKSGIVING for the life of Thomas Norman Frizzell will be held at 12 noon on Thursday 9th December at St. Michael's Church Cornhill in the City of London.

COMPANY NOTICES

GREATERMANS STORES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS
DECLARATION OF PARTICIPATING PREFERENCE DIVIDEND

[illegible]

GRESHAM INDUSTRIES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO SHAREHOLDERS
DECLARATION OF DIVIDEND No. 30

[illegible]

COMPANY ANNOUNCEMENT

THE AFRIKANDER LEASE LIMITED
(Incorporated in the Republic of South Africa)

OFFER OF SHARES

Holders of nil-paid renounceable letters of allocation issued in pursuance of the offer for subscription by this company of 1,652,300 shares are reminded that the offer will close at 16h30 on Friday ... [illegible]

THE NATIONAL BANK OF AUSTRALASIA LIMITED
(Incorporated in the State of Victoria)

[illegible]

THE BANK OF ADELAIDE

[illegible]

LEGAL NOTICES

No. 003721 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of DORIK INSTALLATIONS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 9th day of November 1976, presented to the said Court by SANKEY BUILDING SUPPLIES LIMITED, whose registered office is situate at Station House, Harrow Road, Wembley, Middlesex, HA9 6DB, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 13th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

THORNTON LYNNE & LAWSON,
56, Portland Place,
London, W 1.
Ref: PG
Tel: 01-580 2355.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 10th day of December 1976.

No. 003620 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CORDULA LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-Up of the above-named Company by the High Court of Justice was on the 1st day of November 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41 Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 6th day of December 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose, and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 3rd day of December 1976.

CLUBS

What are you buying your chauffeur for Christmas?

You may well still be in time to treat him to a Peugeot 604.

The 604 is a spacious, beautifully appointed luxury motor car and it's because of this, that an increasing number of discriminating motorists now choose it.

In a recent road test comparison, for example, the highly critical 'Car' magazine pitted our Peugeot against the Jaguar XJ3.4 and BMW 528.

Overall, their choice was the Peugeot.

Of the handling and roadholding they said it "combines a similarly outstanding ride to that of the Jaguar with marginally greater roadholding in the wet."

They went on to describe the power-assisted rack and pinion steering as having "a delicious precision feel to it, making the car feel eminently driveable."

Orthopaedically designed seating, outstanding legroom in the back and high rear roofline caused 'Autocar' to comment "all told, the 604 surely offers about the best back seat comfort one can buy, second only to the Silver Shadow."

For all its armchair luxury, the 604 is hardly lacking in performance.

The 136 bhp V6 engine whisks the car to 118 mph while returning fuel consumption figures of up to 23 mpg.*

The specification is no less than you would expect from a car in this class.

All models have four electrically operated windows, subtly tinted glass all round, an electric sunroof, superb quadruple halogen headlights and power steering.

Individual rear interior lamps, head restraints, convenient inertia reel seat belts and a quartz crystal clock can be taken for granted.

Prices begin at £5,571 for the manual gearbox model and run to £6,683 for the automatic 604SL complete with hide upholstery and air conditioning.

(The air conditioning option may mean your chauffeur will have to wait till after Christmas for delivery).

PEUGEOT

World famous for strength.

*Factory computed figure   Prices correct at time of going to press.

☐ I would like to test drive the Peugeot 604.
☐ I would like details of diplomatic sales and personal export. (Please tick which is applicable.)

Name____________________

Address____________________

74

________________Phone________

Send to Customer Liaison, Peugeot Automobiles (UK) Ltd., Peugeot House, Western Avenue, London W3 0RS. Tel: 01-993 2331.

The Property Market

BY QUENTIN GUIRDHAM

Coats Patons lets ½m. sq. ft. to Carreras Rothmans

Half a million square feet is a major industrial letting in any year, and at this time it is exceptional. What makes the Carreras Rothmans decision to take space at the Patons and Baldwins complex in Darlington even more interesting is the short time the hunt for premises has been on—the decision on this fourth U.K. cigarette factory was only finalised in August. The urgent search for suitable premises in the North took in about half a dozen possibilities, including the Thorn works at Skelmersdale and the factory built for, but never occupied by, Schreiber at Runcorn.

The decision to go to Darlington was, it seems, based largely on labour considerations. But the fact that the plant, with some extensive alterations, including the provision of more offices, is considered suitable for an investment reckoned at £8m. for the first phase, is a tribute to the way the space was constructed 30 years ago.

This was a post-war "super factory," totalling 1.8m. square feet, and built between 1947 and 1952. The idea was to take Patons' production out of several multi-storey woollen mills and put all production processes, from the fleece to the finished dyed knitting wool, on one site. Lately, with the development of synthetic fibres, the Coats Patons group sees a number of smaller, self-contained units, as the best answer to the complexity of new production techniques.

It has, however, retained 800,000 square feet of warehousing and offices on the site. Of the million square feet remaining, the previous letting was to British Steel Corporation for 85,000 square feet of warehousing. The asking rent on the 506,000 square feet unit which has gone to Carreras Rothmans was £304,000 and on the various units of the 400,000 square feet still being offered the range is also about 60p a square foot. On the big unit, the actual rent agreed, with the improvements taken into it, is thought to be a bit below 60p and the lease to be 35 years.

Coats Patons, which yesterday announced interim profits up from £16.2m. to £31.9m., and agents A. J. Hines and Co. and Sanderson Townend and Gilbert, can thank the boom in king size cigarette sales at home (since the price reductions three months ago) and abroad for this notable letting. In the initial stage the factory will employ 400 people, and this figure will eventually build up to 1,000 producing a billion cigarettes a month. The agents acting for Carreras Rothmans were Jones Lang Wootton and Clive Lewis and Partners.

Not of the same size, but nevertheless large for an industrial investment, is the purchase by Prudential Assurance from another life company of the 150,000 square feet of warehouse and industrial accommodation let to printers Harrison and Sons in Printing House Lane, Hayes. The complex is a mixture of old and new buildings and it seems that the pattern of the lease—a 35-year one from 1973 subject to seven-year reviews—and the cost, around £1.7m., fitted a particular requirement of the Prudential. The price apparently reflects an initial yield of 6.1 per cent.

Nicholas Stracey acted for the Prudential and Parnis, Bird and Partners for the vendors.

Orchard-Lisle's half-century

Those who do 50 years with the same firm must have some good reason for it. Joining up in General Strike year might leave a lasting impression that the best thing to do with a job is to hang on to it. Or you might just like the work. With Aubrey Orchard-Lisle, who completes a half-century at Healey and Baker, the latter motive clearly dominates. But his flair in property has always, so one's told, been balanced by a decent sense of caution. These are some of his current opinions:

That yearly valuations are usually "unmeaningful. I don't think you can draw any real conclusions from annual performance." Expense is another factor which inclines him towards triennial valuations, which he thinks are quite good enough for the shareholders of public companies as distinct from property bonds.

Aidan Ashmead

Orchard-Lisle: "I don't think you can draw any real conclusions from annual performance."

That over the past 20 years the investment choice between shops and offices has been a tortoise-and-hare race, and Orchard-Lisle thinks the tortoise (shops) will at least catch up. He likes the fact that 80 per cent. of a prime shop value may be in the site, "and an empty shop 20-30 years old will still let without expenditure—what about some vacant 20-30-year-old office buildings?"

That while the immediate outlook for values may be uncertain, he remains confident (with a few provisos like conquering "the fetish for the South East") for the medium and long-term. "Scarcity (of prime investments) has prevailed over the last couple of years and, with this Community Land Act, it will continue to." (One unusual point which Orchard-Lisle makes on CLA is the extent to which it hits nationalised industries who aim to maximise the use of operational land by including shops and offices in redevelopment—something he is concerned with as part-time Member of the National Bus Company).

That there may be growing complications as a few big agents advise more and more of the pension funds. Healey and Baker's funds—the National Coal Board schemes, the Cheshire and West Midlands local authority funds, Save and Prosper—are of fairly disparate size or stage of development. He feels there can be conflict problems in advisory responsibility for major funds.

These views emerge from a lifetime in property, a career which took him to the top of Healey and Baker (senior partner for nine years till 1973, now an active consultant partner) and which began with two and a half years as office boy for Ernest Owers (now Ernest Owers and Williams) in Hampstead, a job in which his immediate successor — a fact the pair only discovered much later — was Maxwell Joseph. Three of the men Orchard-Lisle enjoys talking of were expansionist retailers of the 1930s—Sir Montague Burton and Sir Henry Price, both dead now but then in their prime as the friendly rivals of the menswear trade, and Sir Jack Cohen, then the young boss of Tesco.

Burton, "a remarkable man, quite different from Price, a bit of a mystic, an introvert, would know precisely what he reckoned should be paid per foot for those pub frontages which gave him his corner sites. In contrast, the more extrovert Price would never tell Orchard-Lisle (who is a trustee of the Price family settlements) what to pay when buying for his family interests. "Will it double its price in 12 years?" was always his question. And with Cohen—"We've let him six shops in the course of the afternoon"—Orchard-Lisle remembers that, with anxious landlords prepared to give £500 fitting-out costs, Cohen would spend only a bit of that on a roller shutter front for the shops.

Among the post-war names which crop up are Jack Cotton, Sir Charles Clore, Lord Samuel (I suppose it is arguable that the most significant event in this period, when one considers the influence of takeover bids on the shape of British industry, was the day that Douglas Tovey of H and B drew Clore's attention to Freeman Hardy and Willis and suggested that he should buy the company). But asked what his best investment decision or most pleasurable scheme has been, Orchard-Lisle, after saying that the question is impossible, finally mentions two developments he has advised on for the new breed of developers, the pension funds. The Derby and West Bromwich central developments, for the NCB funds, provided the great satisfaction of "real do-it-yourself affairs."

While his younger brother, Mervyn Orchard-Lisle, has gone to live in France, Aubrey Orchard-Lisle still finds the day-to-day business of property too interesting to give up. There are some interests outside the firm, like Guy's Hospital, where as long-time vice-chairman of the Board of Governors and now chairman of the Special Trustees, he has been active in the hospital's rebuilding programme; another interest related to medicine is the General Practice Finance Corporation, a sort of medical building society lending 100 per cent. mortgages on premises like group practice surgeries; and he is chairman of the Advisory Panel for Institutional Finance in New Towns. So, at 69 next March, he says, without apparent irony, that he is actually looking forward to starting his 51st year with Healey and Baker.

OUT AND ABOUT

● The lease on the St. James's Club, 106 Piccadilly, has been sold to the Haycraft Trust, which is responsible for the language school operation called English International (International House). This, architecturally, is one of the most distinguished of the London club buildings commenced in 1760 by Sir Hugh Hunlock and completed by the sixth Earl of Coventry. The St. James's Club were in occupation for over a century before being absorbed into Brooks.

The club's lease was for 75 years from 1920 at £3,500. The figure the club trustees have agreed with the Haycraft trustees is not being revealed, but it is thought to be well under the £100,000 price at which offers were being sought. The freeholder is the Sir Richard Sutton Settled Estate. Agents were Knight Frank and Rutley for the club and Strutt and Parker for Haycraft. Net space 15,200 sq. ft.

● Teesland Investment Company, the private group based on Teesside and run by Martin Cohen, has gone against the trend by choosing now to open a Paris office (its other foreign one being in The Hague). Teesland is hoping to announce soon two further acquisitions in Tours and Toulous and other current news in France is that it is proposing to sell its 1,500 square metre office development done through an associate company at Rue de L'Ourcq, Paris 19, and let to the government; also that it is well on with lettings of its 9,500 square metre tower block close to the railway station at Dijon. Teesland reckons to have this fully let by early next year.

Apart from present prospects, Cohen feels the British in Europe should be less defensive about the past: "If the scourge of the European economy over the last decade has been the often irresponsible and unreasoned movement of huge funds of 'hot' money from one country to another, usually at the end of the day at the expense of both countries concerned, then our continental friends should look at the £1bn. to £1.5bn. invested by the U.K. property industry in their economies as a source of comfort, not concern."

INDUSTRIAL AND BUSINESS PROPERTY

COMPANY NOTICES

GENSTAR LIMITED

10% Debentures Issue due 15 November 1981

Payment of coupon as at November 15, 1976, on November 15, 1976:
— The Société Générale de Banque, Montagne du Parc, 3, Brussels, and all its branches
— The Banque Générale du Luxembourg, Avenue Monterey, 27, in Luxembourg
— The Société Générale, Bd. Haussmann, 29, in Paris
— The Royal Bank of Canada, Lothbury, 6, in London
— The Royal Bank of Canada, Place Ville Marie, 1, in Montreal
— The Kuwait International Investment Cy (S.A.K.) in Kuwait

will pay the coupon no. 1 of the above-mentioned by $US100 net per debenture.

Subject to the possible Belgian withholding tax at the rate of 20% of the above-mentioned amount.

HAMBROS LIMITED

$US24.000.000 9½% 1970/1985

Kredietbank S.A. Luxembourgeoise hereby gives notice that, in accordance with the terms of the above-mentioned loan, redemption of $US1.200.000 due on 15th December 1976 has been completed by purchase.
Luxembourg.
12th November, 1976.

KREDIETBANK
S. A. Luxembourgeoise

Rolinco

Annual General Meeting of Shareholders

to be held at the Hilton Hotel, Weena, Rotterdam at 2.30 p.m. on Tuesday, 30th November, 1976.

AGENDA

1. To receive and adopt the Report of the Managing Directors for the financial year 1975/1976.
2. To receive and adopt the balance sheet and the profit and loss account for the year ended 31st August, 1976.
3. Appropriation of the profit.
4. To elect Directors to the Supervisory Board. Messrs. H. H. Nauta and R. Freiherr von Weizsacker, who will retire by rotation, have offered themselves for re-election.
5. Any other business.

Copies of the agenda and of the Annual Report for 1975/1976 can be had from National Westminster Bank Limited, Stock Office Services, Marking Names Section, 2nd Floor, 41 Lothbury, London, E.C.2.

Beneficial owners of Share Warrants to Bearer desirous of attending or being represented at the Meeting must obtain a certificate of deposit signed by a Bank or other Authorised Depositary that such Authorised Depositary is holding the Share Warrants. This certificate must be lodged against receipt with the National Westminster Bank Limited, Stock Office Services, Marking Names Section, 2nd Floor, 41 Lothbury, London, E.C.2, not later than Tuesday, the 23rd day of November, 1976. The receipt for the certificate of deposit will constitute evidence of a shareholder's entitlement to attend and vote at the Meeting and should be presented at the door of the Meeting Hall. If a holder desires to appoint a proxy, who need not be a member of the Company, to attend and vote in his stead a form of proxy may be obtained from the National Westminster Bank Limited as above and this form of proxy must be presented at the door of the Meeting Hall together with the receipt for the certificate of deposit.

Beneficial owners of Sub-share Certificates registered in the name of National Provincial Bank (Nominees) Limited desirous of attending or being represented at the Meeting must obtain a certificate of deposit in the same way as holders of Share Warrants to Bearer. If they desire to attend the Meeting in person or to be represented they must obtain a form of proxy, signed by National Provincial Bank (Nominees) Limited, which form must be presented at the door of the Meeting Hall together with the receipt for the certificate of deposit.

Beneficial owners of Sub-Shares registered in any name other than that of National Provincial Bank (Nominees) Limited and holders of Registered Full Shares, who wish to attend and vote at the Meeting or to appoint a proxy to attend and vote in their stead must inform the Company in writing by Tuesday, the 23rd day of November, 1976, of their intentions.

By Order of the Board of Managing Directors,
E. A. BROUWER,
A. B. BUNKER.

Dated this 12th day of November, 1976.
P.O. Box 973,
Rotterdam.

CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED

(Incorporated under the laws of Canada)

DIRECTORS
A. KALMANSON (President)
J. M. KALMANSON (Vice-President)
J. A. C. HOARE
M. R. LAMPARD

NOTICE OF A SPECIAL GENERAL MEETING AND OF THE FIFTEENTH ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a Special General Meeting and the Fifteenth Annual General Meeting of Shareholders of Canadian Overseas Packaging Industries Limited, will be held at 7th Floor, 715 Victoria Square, Montreal, Quebec, Canada, H2Y 2J1, on Monday the Thirteenth day of December, 1976, at twelve noon for the following purposes:

As to the Special General Meeting of Shareholders:
1. to consider and, if deemed fit, to sanction By-law No. 16 of the by-laws of the Company, enacted by the board of directors of the Company under date of October 29, 1976, providing for the change of head office of the Company from the City of Montreal to the City of Saint John, Province of New Brunswick, Canada;

As to the Fifteenth Annual General Meeting of Shareholders:
2. to receive and consider the report of the Directors and the consolidated financial statements of the Company and its subsidiaries for the year ended June 30, 1976, together with the report of the Auditors thereon;
3. to elect Directors;
4. to determine the remuneration of the Directors for the year ended June 30, 1976;
5. to appoint Auditors and to authorize the Directors to fix their remuneration; and
6. to transact such other business as may be transacted at an Annual General Meeting.

The Directors have fixed December 6, 1976, as the record date for determining the Shareholders who will be entitled to vote at the Special General Meeting and Annual General Meeting.

By Order of the Board,
M. C. JOHNSTON, Q.C.
Secretary.

MONTREAL, QUEBEC, CANADA.
November 12, 1976.

CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED

(Incorporated under the laws of Canada)

DECLARATION OF DIVIDEND

The Directors have declared the following dividend payable to shareholders registered at the close of business on November 26, 1976.

COMMON SHARES (Dividend No. 17)
25 Canadian cents per share (20.83 cents 1975 adjusted for 1 for 5 stock dividend in 1975) for the year to June 30, 1976.

In terms of the Company's By-Laws the dividend will be payable in the case of shareholders whose registered addresses on the above-mentioned date were shown in the Company's Register of Members as being:
(i) in South Africa, in South African currency
(ii) in the United Kingdom, in United Kingdom currency
(iii) elsewhere, in United States currency.

Dividend warrants will be posted on or about December 23, 1976.

By Order of the Board,
M. C. JOHNSTON, Q.C.
Secretary.

November 12, 1976
Head Office:
7th Floor, 715 Victoria Square,
MONTREAL, Quebec, Canada,
H2Y 2J1.

METROPOLITAN ESTATE AND PROPERTY INTERNATIONAL N.V.

20,000,000 European Composite Units ("EURCO")
8¾% LOAN 1988

NOTICE IS HEREBY GIVEN THAT:—
(a) the amount to become due against Coupons No. 3 dated 15th November 1976 from bonds of the above loan is U.S.$99.90 per coupon or, in the case of coupons in respect of which valid selections of other currencies of payment have been made, DM241.60, N.Fls.252.76 or B.Fcs.(Fin.)3736.64 per coupon as the case may be.
(b) bonds in the principal amount of Eurco 750,000 were purchased and cancelled during the year ended 14th November, 1976.

Principal Paying Agent:
N. M. Rothschild & Sons Limited
New Court, St. Swithin's Lane
London EC4P 4DU.
12th November 1976.

WHITBREAD & COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the REGISTERS of the "A" and "B" Ordinary Shares will be CLOSED from 27th November to 10th December, 1976, both days inclusive, for preparation of the Interim Dividend in respect of the period ending 26th February, 1977, payable on 12th January, 1977.

R. E. GILLAN,
Secretary.

Brewery,
Chiswell Street,
London, E.C.1.
12th November, 1976.

HOME NEWS

First oil flows from Brent

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL/ESSO's Brent Field—the biggest discovery in the U.K. sector of the North Sea—has started to produce oil, amid Government congratulations.

The sixth British field to be brought on stream, Brent will eventually produce at a rate of 550,000 barrels a day. The initial flow of oil is being pumped into the production platform storage cells.

This month, or early next month, the tanker Esso Warwickshire will collect the first shipment of oil which will be taken to Esso's refinery at Fawley, Southampton.

Offshore loading of crude oil will continue until a pipeline to the Shetland Islands is brought into use next summer.

Production from the North Sea is about 400,000 barrels a day, equivalent to nearly a quarter of Britain's consumption. Most of the oil is coming from British Petroleum's Forties Feld.

Mr. Anthony Wedgwood Benn, Energy Secretary, yesterday sent a message to Shell, Brent Field's operator, congratulating all concerned in the venture.

"Brent oil will from now on be helping to reduce the balance of payments burden of imported oil and thus making a contribution to our economic strength along with the other U.K. oilfields already on stream," he said.

Shell and Esso are still, however, some way from agreeing to State participation in Brent and their other commercial finds—Auk, Cormorant and Dunlin.

Mr. Wedgwood Benn is believed to have told the companies that unless they conclude at least the heads of agreement within the next month or two, they may not be awarded offshore licences in the fifth round.

Mr. Clifford Garvin, chairman of Esso's parent Exxon, is expected to fly to London shortly to take part in the participation negotiations.

The Government has virtually concluded its initial evaluation of fifth round candidates, including Shell and Esso. It is hoped that companies will be given some idea of the concessions they may be awarded next month.

They will then be expected to discuss detailed licence terms with British National Oil Corporation and British Gas, one of which will be a partner in each of the new licences.

Within the next few weeks the Government should also receive some indication about the commercial prospects of Transworld's Buchan Field. The offshore group is about to start testing its latest well on the structure and results should be known by the end of this month.

The drilling rig Pentagone 82 has had problems with the circulation of drilling mud, but it is understood that they have been overcome.

The well, the fourth in block 21/1, is classified as a development/appraisal test. If it proves successful, this Buchan Field well will probably be used in the exploitation of the field. The Transworld partners are considering a floating production system.

It is possible that they may lease a converted semi-submersible rig, at least until they know more about the complex geological structure in the block. Another well is being drilled close to Buchan as part of a programme to evaluate the size of oil accumulations in that area.

● British Petroleum has signed an agreement with Petrobas, the Brazilian State oil company, to explore an offshore area near the Brazilian coast. A new company, BP Petroleum Development Brazil, has been formed to carry out the exploration in the Santos Basin, south-east of Sao Paulo.

Go-ahead for U.K.'s biggest store

By Elinor Goodman, Consumer Affairs Correspondent

THE DEPARTMENT of the Environment has given the go-ahead for what is likely to be one of Britain's biggest hypermarkets when it opens in 1978. Wheatsheaf Distribution and Trading, which already operates three hypermarkets in this country under the name of Carrefour, has been given permission to build a store outside Bristol with a net sales area of 90,000 square feet.

This will be 40,000 square feet larger than the company's present biggest store, at Eastleigh, outside Southampton and 20,000 square feet larger than either Tesco's hypermarket at Irlam, outside Manchester, or the new store Wheatsheaf is building at Minworth, near Birmingham.

The store, which will cost £5m. to develop, is to be built on industrial land 3½ miles outside the centre of Bristol and will, it is hoped, attract customers from a wide area, including the Severn Valley and South Wales.

The site is owned by Laing Development, which lodged the application with Wheatsheaf, and has been hotly contested by both retailers and planners.

Although Bristol has a number of new food shopping developments already, several of the major chains are interested in expanding into the West of England as a way of approaching the South-East by the back door, where planning permission is even more difficult to obtain.

The developers have agreed to pay for the improvement of a section of the road on which the hypermarket is to be built and two road junctions are to be replanned.

Chemicals surplus expected

By Rhys David, Chemicals Correspondent

THE CHEMICAL industry is expecting a £1bn. export surplus this year, as a result of a 30 per cent. growth in exports, Mr. John Hunter, president of the Chemical Industries Association, said last night.

Mr. Hunter told the association's annual dinner that the industry was emerging reasonably well if haltingly, from the worst recession since the 1930s.

In spite of a 10 per cent. drop in its forecast investment level, it was likely to continue to grow at twice the rate of Britain's gross domestic product as a whole.

The industry could be doing even better if some of its main customers such as textiles and the motor industry were more able to fight imports. These chemical sales were being affected by importers' 40 per cent. share of the U.K. car market.

Earlier, at the association's annual meeting, Mr. Hunter said that the industry's overall trade with the EEC was roughly in balance and likely to swing in favour of the U.K. as plants built to meet greater share of the European market from British facilities came into operation.

He criticised high levels of taxation as inequitable and counter-motivating.

New company service

THE FIRST counselling service for small companies in England—for the South West—will be launched in Exeter on Tuesday by Mr. Bob Cryer, Parliamentary Under-Secretary, Industry. The service is part of a number of Government measures designed to help small companies.

Aimed at helping owners and managers of independent businesses discuss their problems with experienced businessmen, it supplements facilities normally provided by the Department of Industry's information centres.

Ashley Ashwood

THE STATE of the industrial environment came under strong attack yesterday from Professor Sir Hugh Casson, president of the Royal Academy, and Mr. Eric Lyons, president of the Royal Institute of British Architects.

"We've developed a social conscience—I don't think we have yet developed a visual conscience," Sir Hugh said in London at the presentation of the Financial Times Industrial Architecture Award for 1976.

It was important to realise "how much the future of industry in this country depends on the surroundings in which it is carried out." A company should choose its architects as carefully as it chose its works manager. For "a dirty and untidy and badly organised" factory was a sign of inefficient management and a sulky workforce.

From Mr. Lyons came a resounding condemnation of the low priority architecture had traditionally received from industry. "We inhabit an industrial slum," he declared. Britain was a divided nation by reason of the "places in which people are condemned to work."

This year's award was won by Piano and Rogers, architects, for the P.A. Technology and Science Centre at Melbourn, Cambs. It was presented by Mr. Fredy Fisher, Editor of the Financial Times, pictured above (second from left) with (from left) Mr. John Young, Mr. Richard Rogers—partners in the award-winning firm — and Lord Gibson, chairman of the Financial Times.

Docks Board heads for record £22m.

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE STATE-OWNED British Transport Docks Board, whose take-over of Felixstowe Docks was recently thwarted by the Lords, is heading for record profits this year of more than £22m. —at least 76 per cent. up on 1975.

Despite this, however, the Board is planning to put charges up by an average 15 per cent. at its 19 ports from January 1. This is necessary to keep pace with the inflationary rise in its costs, it says.

After the Felixstowe setback, when the Lords last month rejected a private Bill implementing a take-over agreement, the Board is clearly delighted with its progress this year.

Sir Humphrey Browne, chairman, said yesterday that the leap in profits was due not only to a 7½-8 per cent. increase in trade, but to successful efforts in attracting cargoes away from other British ports—progress which, he suggested, might be called "creeping nationalisation."

His remarks after a lunch in London coincided with an announcement of his re-appointment as Board chairman until May 1, 1979.

Although restrained on the Felixstowe debacle, he did speculate whether it was a good thing for European Ferries, now the owners of Felixstowe, to be in charge of a port of which their ships were a major user.

Moreover, Sir Humphrey suggested, return on capital from shipping was bound to be better than from port operations, so it seemed inevitable that European Ferries' responsibility to its shareholders would force it to give a higher priority to its ferry operations than Felixstowe.

The momentum of the Board's first half year, when the profit stood at £10.5m., was being maintained, and the overall result could be "nearly double" last year's surplus of £12.5m.

Sir Humphrey stressed the importance of maintaining "favourable cash flow" in view of the Board's obligation to begin repayments on January 1, 1978, of a £77m. loan inherited from its predecessor, the British Transport Commission.

This had been incurred at 3.6 per cent. interest, and the Board did not want to have to borrow at present rates in order to repay it.

Docks in South Wales were suffering from a decline in coal imports and steel exports.

Southampton, however, had consolidated its position as Britain's number two port in terms of value of traffic. Work was on schedule for expanding the container port to handle the containerisation of the South African trade from next autumn.

Preston port must shut, says council

COUNCILLORS AT Preston, Lancs., last night voted to shut the municipally-owned Preston Dock, which last year lost £1½m. Now 450 dockers and 50 indirect dock estate workers face redundancy.

The Transport and General Workers Union has promised to fight the decision. Mr. Phil O'Hagan, dockers' shop stewards chairman, said: "This is not the end of the fight—only the beginning."

The phased closure of the port—said to have cost the town's ratepayers £12 a minute to keep open last year—would take about three years and need a private Bill through Parliament.

The decision was taken at a special meeting of the Tory-dominated town council. An amendment by the Labour minority calling for postponement of a decision pending approaches to Ministers and a further examination of alternatives, was defeated.

Councillor Joe Hood, council leader, said: "Some prospect of relief must be afforded to our hard-pressed ratepayers." The port's "progressive and huge losses" were due to deteriorating trade because of fierce competition from neighbouring ports and heavy inflation.

He promised a phased closure to minimise hardship to workers and port users, and envisaged industrial redevelopment of the 160-acre dock estate.

● A NEW cargo terminal to handle timber and paper is to be built at Hartlepool docks. Part of a £1m. expansion programme, it will increase throughput of forestry products at the port to 750,000 tonnes a year.

London taximen accept 10p surcharge on fares

FINANCIAL TIMES REPORTER

A SURCHARGE of 10p is to be levied on taxi fares in London later this month. The owners and drivers have accepted it in preference to negotiations with the Home Office on a revision of tariffs.

The operators say they can no longer wait for an increase in fares, but plan to continue a study into complete reorganisation of tariffs. They will submit it to the Home Office in January or February.

Negotiations between operators and Home Office have gone on since May without result. Although some drivers regard the 10p award as an interim measure, the Home Office said last night that there would be no early additional increase.

MPs 'must not be above law'

MPs should not be above the law and immune from prosecution for corruption. This "remarkable privilege" should be ended, the New Law Journal suggests.

This could be brought about by implementing the recommendation of the Salmon Royal Commission and making the 1906 Prevention of Corruption Act also apply to MPs.

New acts 'curtail rights'

CONCERN OVER the recent trend in legislation to curtail the rights of persons whose case is being heard in connection with orders for the compulsory purchase of property or the suspension of rights over property was expressed yesterday in the annual report of the Council on Tribunals.

The council, which is consulted by Government departments when relevant legislation is being considered, quotes the Offshore Petroleum Development (Scotland) Bill, the Coal Industry Bill, and the Community Land Bill as areas wher measures to alti welho where measures to allow the Government to dispense with an inquiry, suspend rights, or ignore objections were envisaged.

Subsequent representations by the council had led to some modifications of these proposals but the council still had reservations about the varying strength of the relevant provisions in the Acts.

It also quotes the Social Security (Correction and Setting Aside of Decisions) Regulations as an area of difficulty when decisions are set aside in the case of new evidence or error. The council has secured an undertaking from the Department of Health and Social Security that a decision would not be set aside retrospectively unless it would be to the benefit of the claimant.

However, the council welcomes the extension of the legal aid scheme to statutory tribunals, although the restraint on public expenditure and the need to improve legal services generally had delayed implementation.

Annual Report of the Council of Tribunals, HMSO, 75p (August 1, 1974 to July 31, 1975).

PARLIAMENT

Callaghan promises salvage operation

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN, in a political Armistice Day appeal, yesterday, urged the dockers not to take industrial action because of the wrecking of the Government's Dock Work Regulation Bill.

The Government would accept its Commons defeat but would salvage what it could of the legislation, he said. "If we can preserve what features remain of the Bill, we stand the best chance that the situation will remain calm."

Mrs. Margaret Thatcher and the Tory ranks appeared slightly shaken—though whether by the idea of a dockland revolution or the Prime Minister's insistent pacifism was unclear.

Would he be a little bit more explicit about the Cabinet's intention? the Tory leader demanded. The Bill could not become law in its present form because it was "senseless."

It was a little late for her to admit that the Tory amendment had made a nonsense of the measures, Mr. Callaghan retorted to Labour cheers.

But the Commons had taken its decision and "we shall have to see how sense can be made of it," he added. What made the Bill a nonsense, Mrs. Thatcher replied over the Labour shouts of "you, you," was the Government's failure to accept the full consequences of the Commons vote.

This was no mere matter of party games, Mr. Callaghan snapped. There was too much inflammable, tinder around that could be lit by an irresponsible Opposition.

The legislation had been introduced to resolve industrial bitterness and dispute. "It ought to be in the interest of every MP to ensure that does not flare up."

Mr. Callaghan recalled that dockers had had to fight with their fists for a day's work in the past, and Mr. Eric Heffer, the former Industry Minister, added that many Labour MPs for dock areas had been restraining the dockers for a long time on the promise of this legislation.

Repeating his plea for moderation, the Prime Minister assured the Commons and the industry that the Government would have to return to the issue.

Mr. David Steel, the Liberal leader, refused to be subdued, however. "It is a very good thing that the House of Commons is aserting itself," he declared. There had never been any public support for legislating to the exclusive advantage of one group against others

That roused a Tory cheer and Mr. James Prior, the party's spokesman. The Bill itself would have provoked industrial unrest, he claimed. If the Government wanted peace would it not have been better to seek the co-operation of the Opposition for measures that would have protected the dockers without destroying the jobs of others?

What alternative had he in mind? Mr. Callaghan queried with interest. Mr. Prior declined to say and was angrily jeered for his silence.

Speaker explains voting precedent

THE SPEAKER, Mr. George Thomas, yesterday spelled out for the Commons the 19th century precedent which saved the Government in three crucial divisions the previous night.

Mr. Thomas, asked by Mr. Peter Emergy (C., Honiton), for the reasons behind his decision to give his casting vote to the Government, stressed that Parliamentary practice gave him absolute discretion in voting MPs votes were tied.

But he quoted an 1862 precedent from Erskine May when, in similar discussion on Lords amendments, the Speaker supported *the Bill as passed by the* House of Commons.

"In the light of such a clear ruling no occupant of the Chair could possibly depart from it," he said.

Mr. Thomas complained about the media's habit of referring to the Chair's casting vote as being "for or against" the Government. Although this might be its practical effect, it would be wrong to assume that the Chair gave any consideration to the effect on Government policy of its vote.

Export Year

BY MIDDAY on November 9, 721 organisations had notified their intention of running an Export Year, Mr. Michael Meacher, Under Secretary for Trade, reported in the Commons yesterday.

Among these were 33 of the top 100 exporters either as complete groups or through important subsidiaries and this extended the coverage to well over 800 units and to a very large number of employes.

Value of £

THE POUND now is worth only seven pence if its value in 1914 is taken as 100 pence, Treasury Minister, Mr. Denzil Davies, told MPs in a Commons written reply yesterday.

Chief Whip's vote appeal

THE DOCK BILL defeats occurred when two Labour backbenchers, Mr. Brian Walden (Birmingham, Ladywood) and Mr. John Mackintosh (Berwick and East Lothian) abstained.

Both Mr. Walden and Mr. Mackintosh received several appeals from Government Whips to vote. Mr. Michael Foot, Leader of the Commons, sent a personal note to Mr. Walden just before the first division asking him to come for urgent talks.

But after the two rebel MPs had consulted in the Press bar at the Commons, they refused to go through the lobbies. "I am absolutely opposed to this Bill and its principles," Mr. Walden declared.

After the first defeat Mr. Michael Cocks, the Government Chief Whip, rushed to make personal appeals to the two rebels. He warned them of the danger to the Government that could flow from the loss of the Bill, a major element in the Government's legislative programme.

An angry Mr. Eric Heffer, Left-wing MP for Walton, then stormed into the bar demanding that the two men support the Bill. But Mr. Walden told him sharply: "Don't come in here and lecture me, Eric." There was nothing Mr. Cocks, Mr. Heffer or a junior Whip, Mr. Alf Bates, could do.

They returned to the Chamber, where jubilant Tories demanded the Government's resignation as the defeat verdict was read out against a background of waving Tory order papers.

The first vote, on a Lords proposal to change the name of the cargo handling zone, brought a two-vote defeat for the Government by 310 to 308.

Tories roared with delight, waved their Order Papers and yelled "Out, Out, Out" at Labour MPs. There were further shouts of "Resign" as the House divided on the proposal to cut the cargo-handling zone from five miles round coasts and up major waterways to just half a mile round port areas only.

This resulted in a defeat for the Government by 3 votes (311-308), but in a further division, on a Lords amendment to exclude small harbours from the *Bill there was a dead heat—310* votes each.

The Speaker, Mr. George Thomas, then cast his vote in favour of the Government and told the House: "My vote is guided by precedent."

During the third division, Mr. James Callaghan, Prime Minister, hands in pockets as if unperturbed by events, walked over to the front bench to talk to Mr. Albert Booth, Employment Secretary, who was in charge of the Bill for the Government.

The Government was again saved by the Speaker's casting vote, giving it a majority of one, to reject by 311 votes to 310 a *Lords amendment* which would have removed the power of the Secretary of State to change the cargo-handling zone by Orders brought before Parliament.

After the excitement came the remaining "nuts and bolts" of the measure as MPs quietly dealt with remaining Lords amendments. The House agreed to remove a further 22 of them in rapid succession without divisions.

The Government had a straight majority of one in rejecting a Lords amendment which would have made it impossible for the National Dock Labour Board to set minimum rates of pay where there was no collective agreement at places to which the scheme had been extended. Voting was 311 to 310.

Written answers

TRADE

Mr. Anthony Grant (Con., Harrow Central). Are talks to take place between the U.K. and U.S. on general reduction of trade tariffs and on non-tariff *barriers to trade?*

Mr. Michael Meacher, Under-Secretary. Both the British and U.S. Governments are taking a full part in the discussion of tariff and non-tariff barriers in the current MTN. I will also continue to take every opportunity to raise with the U.S. barriers to trade which cause us concern.

Mr. Robert Adley (Con., Christchurch and Lymington). What effect will devolution have upon the present integrated promotion of Britain overseas by the British Tourist Authority?

Mr. Meacher. It is proposed that although tourism should be devolved to the Welsh and Scottish administrations, the British Tourist Authority should continue to be financed by the Government in recognition of the fact that in the face of international competition there are clear advantages in a combined marketing programme overseas for the U.K.'s tourism trade.

Mr. Tom King (Con., Bridgwater). What action is being taken on discussions with EFTA countries over duty free quotas of paper and the operation of the ratchet clause, in the light of the recommendation of the NEDC Sector Working Party on *Paper and Board?*

Mr. Meacher. Discussions have taken place with the EFTA countries on the quota arrangements. The U.K. proposed the removal of the so-called "ratchet" clause to enable downward revision of quotas at times of recession. The EFTA countries however were opposed in principle to this provision and despite exploring variations no progress could be made. Discussions with the EFTA countries are now taking place to fix quota levels for 1977.

Mr. John Prescott (Lab., Kingston-upon-Hull East). What advice has been given to British shipping companies about releasing documents to the U.S. Department of Justice concerning their activities on the North Atlantic shipping routes?

Mr. S. Clinton Davis, Under-Secretary. None of the documents demanded in the Department of Justice investigation and which are situated in the U.K. are within the proper jurisdiction of the U.S. authorities: disclosure of such documents would constitute an infringement of the jurisdiction which under international law belongs to the U.K. The Shipping Contracts and Commercial Documents Act 1964 was enacted to protect the U.K.'s legitimate interests in this area. Accordingly, directions have been given under section 2 of the 1964 Act to those persons in the U.K. who are recipients of subpoenas in this case, prohibiting the disclosure of documents located in the U.K., or any information compiled from such documents.

Tied cottage Bill rules changed by Peers

OPPOSITION PEERS yesterday forced a change in the rules under the Rent (Agriculture) Bill, for giving farmworkers security of tenure. Voting was 152-60, a majority of 92 against the Government.

The Bill had originally made protection available to workers after two years employment. The change extended this to four years, the last of which must have been spent in the employ of the farmer who owned the house on which security of tenure was claimd.

Lord Swaythling (L.) said during the Bill's report stage that the proposed two year period was felt by many sections of the agriculturel industry to be far too short.

Lord Peart, Leader of the House, urged peers to reject the proposal. Everyone agreed that there should be a qualifying priod of agriculture work before security was obtained.

The farmworker's union said one year and the farmers said five years. The district councils, who would be involved in rehousing, wanted two years.

An Opposition proposal allowing local authorities to offer a tenant, no longer working for a farmer, temporary accommodation was carried by 136 to 58, a majority against the Government of 78.

Earl Ferrers (C.), proposing the change, said that under the Bill, the "head-on dilemma" was that if farm workers were given a right to stay on in their house after leaving the farmers' employment, how could the farmer provide accommodation for incoming farm workers?

If local authorities could not fulfil their obliagtions under the Bill to provide these farmworkers with permanent accommodation, they should be able to offer them temporary accommodation.

Baroness Birk, Environment Under Secretary, opposed the change saying that no proposal dealing with temporary accommodation could be inserted in a Bill the basis of which involved giving security of tenure. It would be contrary to what was pledged in the Bill and what the Government was trying to achieve.

Next week's business

COMMONS business next week will be:

MONDAY: Motions on the Endowments and Glebe Church Measure and on EEC document on the JET Project, R/2284/76.
TUESDAY: Public Lending Right Bill, remaining stages.
WEDNESDAY, THURSDAY, FRIDAY — Consideration of Lords amendments to Bills.

Lords business is:

MONDAY: Land Drainage Bill, Supplementary Benefits Bill, Commons amendments; Dock Work Regulation Bill, Commons message; Rent (Agriculture) Bill, third reading; Race Relations Bill, Commons message; Royal Assent.
TUESDAY: Industry (Amendment) Bill, third reading; Aircraft and Shipbuilding Industries Bill, Commons message; Endangered Species (Import and Export) Bill, Commons amendments.
WEDNESDAY: Health Services Bill, report. Development of Rural Wales Bill, Commons amendments.
THURSDAY: Health Services Bill, third reading; Education Bill, Commons message; Weights and Measures Bill, Commons amendments.
FRIDAY: Rent (Agriculture) Bill, Commons message; Public Lending Right Bill, Commons amendments.
MONDAY (Nov. 22): Consideration of Commons messages.

Healey dismisses Tory protest over borrowing

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. DENIS HEALEY yesterday dismissed Tory condemnation of further borrowing that would add to Britain's already heavy load of international debt.

Defending the Government's approach to the IMF and to Common Market member states, the Chancellor stressed instead the benefits of the "highest possible standard of living at the expense of borrowing at very low rates over a reasonable period."

But when Labour Left wingers pressed the Government for assurances going even further—including abandonment of public expenditure cuts and the outright adoption of the Tribunite alternative economic strategy—Treasury Ministers were far less forthcoming.

From the Labour backbenches, Mr. Dennis Skinner pointed out that over 100 Labour backbenchers had signed a motion for an alternative strategy.

The miners' union executive that very morning had presented an approach which was almost a mirror of the motion, calling for price control, direction of investment, import controls and restoration of cuts in public expenditure, said Mr. Skinner.

Mr. Joel Barnett, Treasury Chief Secretary, responded cautiously. He was pleased to note that there was a reference in the motion to selective import controls policy rather than geenral import controls.

This was more in line with what the Government had in mind, said Mr. Barnett. But while he could understand the concern about public expenditure being cut, he doubted if the alternative strategy proposed would do anything other than increase the rate of inflation.

Terry Kirk

Mr. Healey defended approach to IMF.

At another point, the Chancellor was asked from the Labour side to say how he reconciled the maintenance of a high standard of living for the British people with the fact that a Treasury adviser was reported to have recommended a high rate of unemployment.

This was a reference to the reported views of Mr. Alan Lord, one of the Treasury's senior officials and responsible for the domestic sector.

Mr. William Molloy (L., Ealing N). urged the Chancellor to agree that it was dangerous for civil servants to indulge in policy-making prophesies which could be self-fulfilling.

But Mr. Healey insisted that Mr. Lor dhad been misrepresented in the suggestion that he was advocating a high rate of unemployment. "What he said was that if we want to get an increase in productivity, which is our common objective, steps must be taken to replace the jobs that will be lost through new investment and lower mannin glevels with new jobs in productive industry."

Mr. Healey went on to deplore attacks on civil servants, taking the opportunity to challenge Mr. John Pardoe, Liberal spokesman on economic affairs, to substantiate or withdraw an allegation he made recently during a TV broadcast.

In the broadcast, Mr. Pardoe alleged that civil servants had suggested to IMF officials that it would be a mistake to give a loan to Britain—that the loan should be refused to bring home to the Government the size of the economic crisis.

Mr. Healey said he had written to Mr. Pardoe about these remarks and that Mr. Pardoe had admitted that he had no names in his possession at all.

Mr. Pardoe promptly jumped up to declare that Mr. Healey had entirely misconstrued his letter. "I di dnot suggest I had names in my possession," he told the House.

The exchanges only closed when the Chancellor suggested that they should publish their mutual correspondence—"and then the House wil see that the remarks you made were not based on any solid evidence whatsover," Mr. Healey claimed.

Government scores 31 majority for aircraft Bill powers

BY JOHN HUNT

THE GOVERNMENT had a comfortable majority of 31 in the Commons last night as the prolonged battle to save its legislative programme moved to the Bill which nationalises the shipbuilding and aircraft industries.

By 324 votes to 293, the House rejected a Lords amendment and restored the power of the Industry Secretary to order the two nationalised corporations—British Shipbuilders and British Aerospace—to extend their activities into other areas of industry.

This has been one of the main points of contention in the Bill and has been bitterly opposed by the Conservatives and Liberals. As a result, the Conservative peers had removed the power conferred on the Secretary of State while the Bill was in the Lords.

Last night, the Government received its reassuring majority despite the fact that the Liberals joined forces with the Conservatives in opposing the removal of the Lords amendments. The Scottish and Welsh Nationalists voted with the Government.

The division—the first of a long series—came soon after the Commons started consideration of 82 Lords amendments to the Aircraft and Shipbuilding Industries Bill. The Government was trying to reverse the defeats which had been inflicted on it in the Lords and to restore the Bill to its original form.

Mr. Tom King, Conservative industry spokesman, objected that if the Government had its way, the two corporations would be able to expand into any related activities. He predicted that this would prove to be an "albatross" which would discourage new investment in industry.

People eager to invest in related activities would be frightened away by the "confiscatory" power of the Secretary of State, he argued.

Mr. Leslie Huckfield, Under Secretary for Industry, defended these powers. It was necessary, he said, that the corporations should from time to time be allowed to adjust to changing needs.

"There is nothing in these powers which would provide more public ownership. Indeed, what we are trying to do is to extend Parliamentary surveillance."

He explained that another Lords amendment would remove the basis for the Secretary of State to carry out forward planning although such an arrangement had existed in nationalised industries for a considerable time.

"Once a corporate strategy is *drawn up, the Secretary of State* needs to have some kind of power to ensure that it is carried out. I believe the powers which this Bill confers upon the Secretary of State are reasonable. I believe that the scope of the powers given to the two corporations are reasonable.

"The majority of them are derived from previous nationalisation legislation. I believe these are excellent reasons for disagreeing with the Lords amendments," Mr. Huckfield declared.

For the Opposition, Mr. King objected that all the amendments had to be considered in the space of six hours allowed by the guillotine timetable. "Obviously this is an impossible situation in which the Oppoistion finds itself.

"Inevitably, it means that we will be unable to give a considered reply to some of the amendments purely because of the constraint of time," he said.

Mr. King criticised those Labour MPs who ridiculed the Upper House as an unelected and unqualified chamber. In the Lords, he said, the Bill had been put through for the Government by Lord Melchett, "an unelected, hereditary old Etonian peer under 30 with no experience of shipbuilding."

On the other hand, useful contributions had been made by life peers with many years of experience in both industries.

Mr. King recalled that during the second reading of the Bill in the Lords, only one peer had made a contribution from the Government benches and he had opposed the legislation.

Prices watch cost £1.5m.

COST OF the Counter Inflation Unit during the past 12 months was about £1.5m., Mr. William Price, Parliamentary Secretary, Privy Council Office, said in a Commons written reply yesterday. This comprised Press advertising, publicity for the price check scheme, research and salaries.

SCOTTISH POLITICAL SCENE

Tories top the poll . . . but doubts remain on ability to pick up seats

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A COMMON reaction among pundits in Scotland after last week's by-election successes for the Conservatives in Walsall North and Workington was that it could not happen here.

North of the border, it is easy to believe that electors think only of devolution and independence, and that any protest votes against the Government would automatically go to the Scottish Nationalists.

Predictions based on the election results were made, asserting that a general election now would produce a Tory landslide in England and sweeping gains for the SNP. Those forecasts may now have to be revised.

An opinion poll by Marplan shows a resurgence of support for the Tories, giving them 37 per cent. support and putting them ahead of Labour and the SNP for the first time in years.

There are several qualifications to take into account about the poll. It was based on a very small sample of voters in only a few constituencies. But it confirms a broad trend noticeable in polls by other organisations in the last few months.

While Labour has remained fairly static with around 30 per cent. support, the Conservatives have been moving up and the Nationalists down.

The implications is that Scottish voters *are not unlike their* English counterparts and that although there are electoral benefits for both Labour and the SNP from having clear policies on devolution, the Tories are picking up support on other issues, notably the economy.

Among those most surprised was a fair section of the Scottish Conservative Party, which believed the orthodoxy that its time had been and gone.

Mr. Alex Fletcher sees need to build up party organisation.

Morale in the party sank to its lowest level after the October 1974 election, when the Tory share of the vote droped to 25 per cent. behind Labour and the SNP. Between then and this summer, the polls continued to be gloomy. Organisation was a shambles, and money scarce. Worst of all, the party was divided and confused on the issue of devolution.

Yesterday produced no shortage of glib explanations for the apparent breakthrough from Conservative spokesmen, but few of them were convincing.

Party membership is rising, but only slowly. There is action to improve organisation and bring in more cash from industry, but it will be a long time before the results are noticeable in the field.

Mrs. Thatcher has made a recent visit to Scotland, but the least said about that the better.

It is likely to be a long time before the party is in a position to convert opinion poll success across the country into Parliamentary seats. In an open letter to Scottish Tories yesterday, Mr. Alex Fletcher, MP for Edinburgh North, said the party could not re-emerge as a major force in Scotland without undergoing a massive change in style and organisation. It was not yet prepare dfor a fight on the scale that would be needed.

"I am afraid our main weakness lies in the professional side of the organisation, which has been reduced to its lowest ever staff level, as a visit to the Central Office in Edinburgh will confirm. This is hardly the way to prepare for the fight of our lives."

It is probably in the traditionally Tory rural seats, which fell to the SNP in October 1974—Perth and East Perthshire, East Dunbartonshire, Galloway and South Angus—that the party can look to make its strongest advances. It may also be able to re-take some of the seats in North-east of Scotland, which fell earlier to the Nationalist challenge, Moray and Nairn, Banff and East Aberdeenshire.

What is unlikely is that the Tories will be able to make sweeping new gains at the expense of Labour in the industrial West of Scotland. Except in a very few seats such as Teddy Taylor's constituency of Glasgow Cathcart, the party has little organisational strength and would be unlikely to make up lost ground before the next election, even if that were two years away.

The likely battle in the West is still between Labour and the SNP, though increased support for Conservative candidates would add another factor to an already complex picture.

After the last election, the SNP stood second to Labour in a score of seats in Glasgow and its immediate area. While the opinion polls showed the Nationalists increasing their share of support, it was easy to predict that they would overtake the Socialists in a number of them.

Now that some electors seem to be turning away from the Nationalists to the Conservatives the image becomes cloudy. There is also the added uncertainty caused by the breakaway Scottish Labour Party, which intends to field candidates in at least six Labour-held seats at the next election.

PARTY SUPPORT IN SCOTLAND

	GENERAL ELECTIONS			OPINION POLLS		
	June '70	Feb. '74	Oct. '74	Dec. '75	Sept. '76	Nov. '76
Con.	38	33	25	28	31	37
Lab.	45	36	36	30	30	29
SNP	11	22	30	37	30	28
Lib.	6	8	8	5	5	3

The Management Page

EDITED BY JOHN ELLIOTT

CHRISTOPHER DUNN analyses the effectiveness of ways in which two major U.K. companies have exploited technological breakthroughs.

A question mark over product licences

... not often that a U.K. ...y comes up with a pro- ... process that is so much ...nical breakthrough that ...ody wants it. But when ...pany does find itself in ...rtunate position, it is with a wide range of ...lities on how to exploit ...nufacture in the U.K. ...port, set up manufactur- ...nts of its own in certain ...s territories, or license ... manufacturers to make ...l the product.

...s X-Ray scanner is one ... outstanding British in- ...ns of recent years. When ... first brought to the ... in 1972 the company fol- ... the normal policy of ...cturing the scanner in ...K., and then selling it ...to customers here and ...s. As sales increased, ...lly in the crucially ...nt U.S. market, EMI ... aware of the need to ... its assembly facilities ... genuine manufacturing ...on in North America, to ...nent production in the ... More recently, a further ... strategy has apparently ...lace, with the announce- ...early in July, that EMI ...dy to license the use of ...nted invention to Ohio ..., its closest competitor. ...estion which concerns ... observers is whether ...cision, which according ... was always foreseen, ...ve the effect of blunting ... drive to obtain the ... possible rewards from ... remarkable technical ...ments.

...e past, licensing deals in general have been seen as an acceptable and useful way of entering difficult over-seas markets. To some extent this is still the official view. The British Overseas Trade Board handbook "Exporting Knowhow" says "firms should see overseas licensing as a potential component of their total export strategy." The brochure identifies a number of likely licensing situations—products with poor price-weight ratios; foreign import quotas; radically different designs; and marketing in politically unstable areas.

It then details the range of possible agreements. A distinction is drawn between a granted patent licence, an application licence and a know-how deal, and the brochure makes the point that many profitable licensing agreements exist on know-how unprotected by patents. Flow-back clauses can also be built into the arrangement, so that the licensor benefits from any new technology established by the licensee. Terms are variable and may include an initial down payment or a guaranteed minimum royalty.

Benefits

Among the range of benefits outlined, the handbook gives some prominence to "the establishment of a relationship between licensor and licensee." From the beginning "an agreement should be seen as the basis of active co-operation between the two parties."

This is the starting point of a currently more critical view. Behind a string of adverse comments about licensing ("stifles initiative"; "acknowledges no possible economies of sale"; "dilutes equity in new technology"; "removes a company from the market place"; "you cannot survey your product adequately"), lies the clear feeling that licensing another firm may well amount to setting up a competitor. The co-operation stems from expediency, and despite the short-term benefits, licensing could eventually lead to trouble.

Against this background the EMI proposition is full of strategic complexity. The group refers to the "sensitive medical nature" of the scanner, and states that it is capable of infinite refinement. Furthermore although EMI Medical Inc. has made it clear that it has no intention of abdicating from its U.S. assembly and developing presence, neither has it any desire to "wipe out" Ohio Nuclear or stop legitimate competition. U.S. anti-trust legislation cannot be ignored.

EMI has a head start and a clear lead over its competitors in this field and nearly 300 scanners are already in operation in the U.S., where favourable American medical response has been translated into far more orders than from elsewhere in the world. Profits from scanner sales are reckoned to be worth about a fifth of earnings per share. But how far ahead will the EMI scanner be in, say, five years' time.

EMI acknowledges that some change in emphasis in the strategy has taken place. In the beginning it hoped to "service the world" directly through its own resources, but now the company recognises the impracticability of that approach. It explains that the choice was either to sue competitors and pay huge legal fees, or to license the patent and receive appropriate substantial royalties. It thereby implies that this dilemma is inevitable when a breakthrough invention is launched which stimulates severe competition.

It is interesting, therefore, to look at Pilkington Brothers—another company which has considerable experience of licensing.

Pilkington is the fourth largest flat glass manufacturer in the world and after seven years' research and £7m. capital expenditure the group developed the float-glass process. Essentially this produces perfectly flat glass faster and more cheaply than other methods used. The invention revolutionised the whole flat glass industry.

The decision was taken to license production of the process and a rough estimate by Phillips and Drew, stockbrokers, of the cost of funding a comparable level of direct investment (£1bn.) suggests that, at the time, this was the correct decision.

The first licences were issued in 1962 and the accompanying chart shows the explosive growth in licensing income since then. Twenty-six manufacturers in 16 countries have been issued with licences and the speed of market penetration of the float process has been such that it now accounts, after about 10 years of production, for an estimated 40 per cent. of total world flat glass production. Pilkington does not reveal details of its licensing agreements, although they are said to incorporate a complicated set of flow-back arrangements.

Now that the growth in Pilkington's licensing income can be seen to have a definite term, industrial analysts have begun to adopt a slightly more quizzical approach to the way in which the group exploited its technological breakthrough. Admittedly a massive build-up of debt has been avoided, and the licensing income continues to make a very helpful contribution to group profits. But Pilkington has yet to produce a breakthrough of comparable magnitude—and it should in fairness be emphasised that the float glass discovery is practically a once-in-a-century innovation—to compensate for the time in the mid-80s when the float-glass income peaks.

Rapid spread

This raises questions of whether the rapid spread of float glass has been at the expense of the company's future prospects, whether Pilkington sold its technology too cheaply, and whether it would be able to develop another breakthrough of comparable magnitude.

Clearly, the special characteristics of the glass industry have to be taken into account. It is cyclical and capital-intensive, with well entrenched commercial giants, so that Pilkington might well have bankrupted itself if it had tried to attack, say, the US market directly.

Recent developments in Europe, however, are significant. In Scandinavia, Pilkington has invested heavily in its own plant, for undisclosed strategic reasons, but is now being opposed by a group of local glass manufacturers, led by St. Gobain Pont à Mousson. St. Gobain is one of Pilkington's principal continental licensees. It is possible to argue therefore that the short-term benefits which accrue from a licensing arrangement can lead over the medium term to friction, as licensor and licensee try to penetrate each other's markets.

A contrasting example of how to exploit both a product and a process is provided by Michelin. The group spent 25 years or so marketing its principal product, a radial ply tyre which was produced under secretive conditions. First France was penetrated (radials now account for more than 90 per cent. of the domestic market) and then the rest of Europe, where radials comprise 70 per cent. of the market.

After investing heavily through borrowed capital, Michelin just squeezed into the U.S. before the bankers started insisting on more disclosure. Since 1974, the group has built four factories in the States (either completed or under construction) and presumably Michelin hopes for a comparable market penetration as it has achieved in other areas. In the last ten years it has risen from seventh to second place among world tyre manufacturers.

Michelin went it alone. Other companies find the licensing route unavoidable. According to one view the likelihood of a licensing agreement is said to exist when a firm's research and development, its productive capacity, and capital resources are out of balance, that is, the market possibilities of the product are greater than the manufacturing capacity can cope with. A necessary but unhealthy relationship could develop with another firm when either the R and D or capacity is subcontracted out (licensed). This situation must ultimately be resolved either by a bid or by a forcible separation.

It was a separation that was eventually forced on Beecham. In 1957, Beecham isolated the penicillin nucleus — 6-APA — which led to the development of semi-synthetic penicillins.

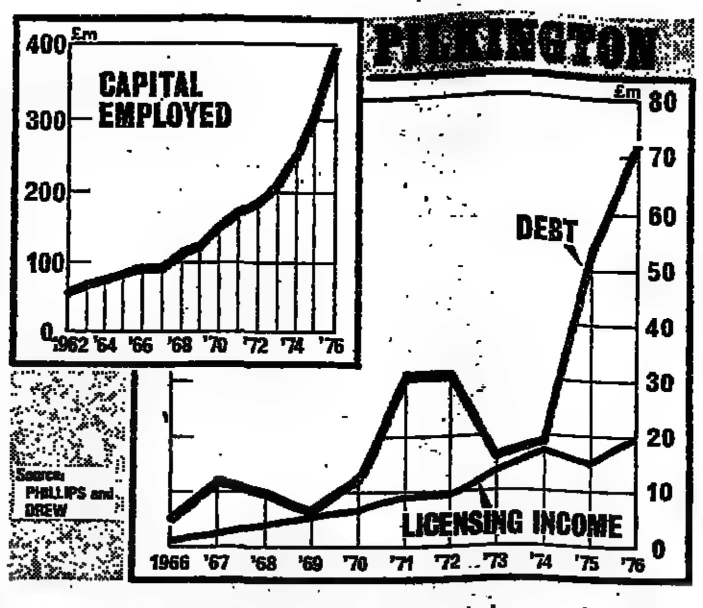
Beecham was starting from scratch, without a marketing or distribution base, or manufacturing experience, in the kind of high technology and R. and D. sector which makes speedy exploitation of products vital. (Such a trading background fosters licensing agreements.) There was an orthodox commercial logic, therefore, behind Beecham's decision to license patent and marketing rights in the U.S. and elsewhere to Bristol Myers for the first of its semi-synthetics, ampicillin, in exchange for technical assistance over production.

Exchange deal

The successor to ampicillin is amoxycillin, launched in 1972, but the decision was made not to license it. A product exchange deal has been done with Hoffman La Roche in the U.S., but Beecham—by expanding its own sales force and production plant in the U.S.—has attempted to retain far more control over its exploitation of the new drug. Bristol Myers, however, claims the right to market amoxycillin as well as ampicillin, and is now selling a competitive version of it. The two firms have had recourse to litigation to resolve the issue.

There are parallels with the situation, which has now developed between Glaxo and Schering Plough. Despite its excellent range of drugs, Glaxo has only ever tapped the U.S. market through a licensing arrangement with Schering Plough. Glaxo has now indicated its intention to enter the U.S. market more directly but has not commented on the effect this might have on existing marketing arrangements.

Clearly the choice between exporting, overseas manufacture and licensing or some combination of all three, is vitally affected by the nature of the product or process, the size of the company concerned, and the state of the world market. But it seems that the disadvantages of licensing, at least as the main ingredient in a company's strategy, are more widely appreciated and that many manufacturers will seek, wherever possible, to retain complete control over their own technology.



Trevor Humphries

Above: Pilkington's licensing income growth has not kept pace with debt recently. Right: Dr. Godfrey Hounsfield, on the right, inventor of the EMI-scanner, with a CT5005 body scanner.

BOOK REVIEW BY CHRISTIAN TYLER

Industry and the unions

Strikes and the Government, 1893-1974, by Eric Wigham; Macmillan, £10.00.

The New Barons, by Stephen Milligan; Temple Smith, £5.50.

British industrial relations, 1945-1975, by Kevin Hawkins; Barrie and Jenkins, £7.50.

THE MINERS' strike of 1974 that led to the downfall of Edward Heath's government was the most naked demonstration of trade union power for decades, and it provides the principal reference point for two of these very different accounts of British industrial relations.

Mr. Eric Wigham, in Strikes and the Government, maps out the history of conciliation machinery from the creation of the Labour Department of the Board of Trade in 1893 to the formation of the independent Advisory, Conciliation and Arbitration Service in 1974.

Perhaps it is the time scale of Mr. Wigham's book, as well as his own 23 years as The Times' labour correspondent, that explains why his account ends on a cautious, even pessimistic, note. Mr. Wigham makes few prescriptions for 1976. As his history shows, most prescriptions have been tried at one time or another, and one is left with the conclusion that remedies, like the successes of the famous industrial trouble-shooters of the century, are a matter of time and sheer slog.

His account of the development of Government intervention in industrial disputes gives little support to those like Stephen Milligan, a journalist on The Economist, who believe that Government initiatives in the spirit if not the letter of the Conservatives' 1971 Industrial Relations Act are necessary to make the unions "more democratic" as a prelude to formal incomes policy machinery.

In the end, argues Mr. Milligan, trade union power will only be curbed by a smashing Government victory against a major union.

These conclusions do not really belong to the bulk of the book, which is an anecdotal description of the bigger unions and their general secretaries.

Deeper moral

"The New Barons" is an easy-to-read guide to the unions in the seventies. Mr. Wigham's history draws the deeper moral.

In his more obviously academic treatment of the subject Kevin Hawkins, of the University of Bradford Management Centre, adopts a wider brief including the economic background to wage bargaining since the war, the drift into corporatism and the shift of employment from the private to public sector.

Mr. Hawkins is concerned less with symptoms than with underlying weaknesses like job "alienation" and the lack of management interest in positive industrial relations policies. He stresses the need for an orderly national framework for bargaining devised with the consent of all based on a coherent manpower policy and real progress towards industrial democracy. The process will be slow, he says, and strikes could well multiply as the bargaining field widens.

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FRIDAY, NOVEMBER 12, 1976

Bulldozers defeated

THE FAILURE of the Government and its business managers to bulldoze controversial legislation through Parliament, coming as it does so soon after a couple of notable by-election reverses, is likely to damage morale in the Labour Party as much as it will improve it among the Conservatives. The division of opinion between what are commonly, if inexactly, described as the Left and Right wings of Labour has come still further out into the open and the atmosphere is becoming steadily more emotional. But that is a matter for the Labour Party itself to deal with as best it can. From the outsider's point of view, there seem to be two main lessons to learn from the affair.

The first is that the Lords have been entirely vindicated in their decision to continue carrying out their proper function of amending whatever aspects of the Bills presented to them seem undesirable. It is no longer open to the Government to make angry noises about the Lords frustrating the will of the country. In the case of the dockers, it is now clear that every opposition party, an unknown but possibly considerable part of the Parliamentary Labour Party, and probably most people in the country except the dockers themselves are in favour of an amendment put forward by the Lords which greatly reduces the special privilege it was proposed to give to dockers.

Controversial

The second lesson to be learnt is the folly, even from a self-interested political standpoint, of seeking to push through highly controversial legislation at a time of national crisis. Not only are all the measures which the Government is seeking to enact before the end of an artificially extended session a matter of dispute between the parties. Even those members of the Parliamentary Labour Party who are for the most part in favour of them may well object to parts which they wish to see amended and resent strongly the attempt to make them vote against their conscience or better judgement.

It may be argued that these Bills are an essential part of the so-called social contract between the Labour Party and the trade union movement and that their passage is part of the price which the Government has agreed to pay in return for voluntary wage restraint. Mr. Foot, who was earlier responsible for drafting the Docks Bill and is now responsible for ordering the business of the Commons would almost certainly support such a line of argument. But one can pay too much political danegeld for the support of union leaders—whose ultimate control over the behaviour of their members is in any case doubtful—and too much is being paid in the attempt to rush these controversial and fault-ridden Bills through before the end of the session.

Strike threat

The work-rights of existing dockers would have had to be sorted out, even if the Bill had been passed unamended, over a period of time between different sections of the Transport Workers' union and between it and other trade unions. Mr. Jack Jones has reaffirmed his support for the Government and stated that no dock strike is planned — hardly a surprising statement, since a national dock strike on the top of our existing economic difficulties would have put the continued existence of the Labour Government further in doubt. Even if the threat of a dock strike were more real, however — and the possibility of unofficial action by individual dockers and official action by the smaller union cannot be altogether ruled out — that would have been no good reason for giving in to them by passing a Bill that is unfair to other workers. The national crisis will not be overcome by giving way to every sectional interest which seems to have more industrial muscle than others.

A turning point in the Lebanon

THE ENTRY of the Arab peace-keeping force into Beirut is the first encouraging event in the Lebanon since the outbreak of the civil war there at the beginning of last year. The fact that the Arab force was able to enter Beirut peacefully does not, of course, mean that there will necessarily be peace in the country. The working out of a genuine settlement between the Christians, the Muslims and the Palestinians is a very different process, and it would be naive to underestimate the very serious difficulty involved in reconciling the hostile communities after so many months of killing and physical destruction. But at least the deployment of an effective peace-keeping force is the minimum prerequisite which would enable the Lebanese to make the transition from military to political action.

Endorsement

That the peace-keeping force will be broadly effective is hardly in doubt, since it is largely composed of Syrian troops, and the Syrian armed forces have demonstrated their ability to dominate the military situation in Lebanon. From this point of view, the successful deployment of the "Arab" peace-keeping force is doubly significant: not merely has President Assad of Syria achieved his aim of stamping out—for the time being, at least—the war in Lebanon, he has also secured the endorsement of the Arab summit that Syria should play a key role in that country.

Whether or not the Damascus régime seriously entertains grandiose territorial ambitions—for example, the establishment of close political ties with both Lebanon and Jordan—its immediate and overriding aim has been to control and redirect the activities of the Palestine Liberation Organisation. By its substantial military presence in the Lebanon, the PLO tipped the already unstable balance between Muslims and Christians and was, directly or indirectly, partly responsible for the civil war. Quite apart from the appalling suffering caused by such a war, it carried with it the danger, if it were not brought under control by Syria, of Israeli intervention and thus a broader Middle East conflict, without offering any prospect of a solution to the central Middle East problem, that of Palestine.

Negotiate

For the time being, neither Egypt nor Syria shows any sign of wishing to precipitate a broader Middle East conflict; on the contrary, President Sadat of Egypt has declared his willingness to negotiate a settlement with Israel, while it appears that Syria has not merely put strict limits on PLO activity in southern Lebanon, but may extend without question the UN mandate on the Golan Heights at the end of this month. The real question now is whether the external policing of the cease-fire in the Lebanon can become the take-off point for a serious attempt to deal, peacefully and by negotiation, with the Arab-Israeli problem.

In the past few days there have been some fragmentary bits of evidence to suggest that there may be a slightly greater readiness to consider negotiations, both in Israel and in the Palestinian movement. Even if these straws in the wind should prove to be encouraging omens, there would be a lot of ground to cover before a Geneva-type negotiation seemed a credible undertaking. The Israelis must know that they cannot hope for peace without giving up most if not all of the territory they captured in 1967, and they should by now realise that their state is likely to be destabilised by the incorporation of a large Muslim population: yet they may well cling to the idea that territory confers strategic security. The PLO is in no position to pursue a military strategy against Israel for the time being; yet they may shrink from the idea of compromise. If a negotiation were to have any chance of success, it would need the maximum influence of President Sadat on the PLO, and of Mr. Jimmy Carter on Israel.

The leader of the Transport Workers faces problems with his dockers. Christian Tyler reports

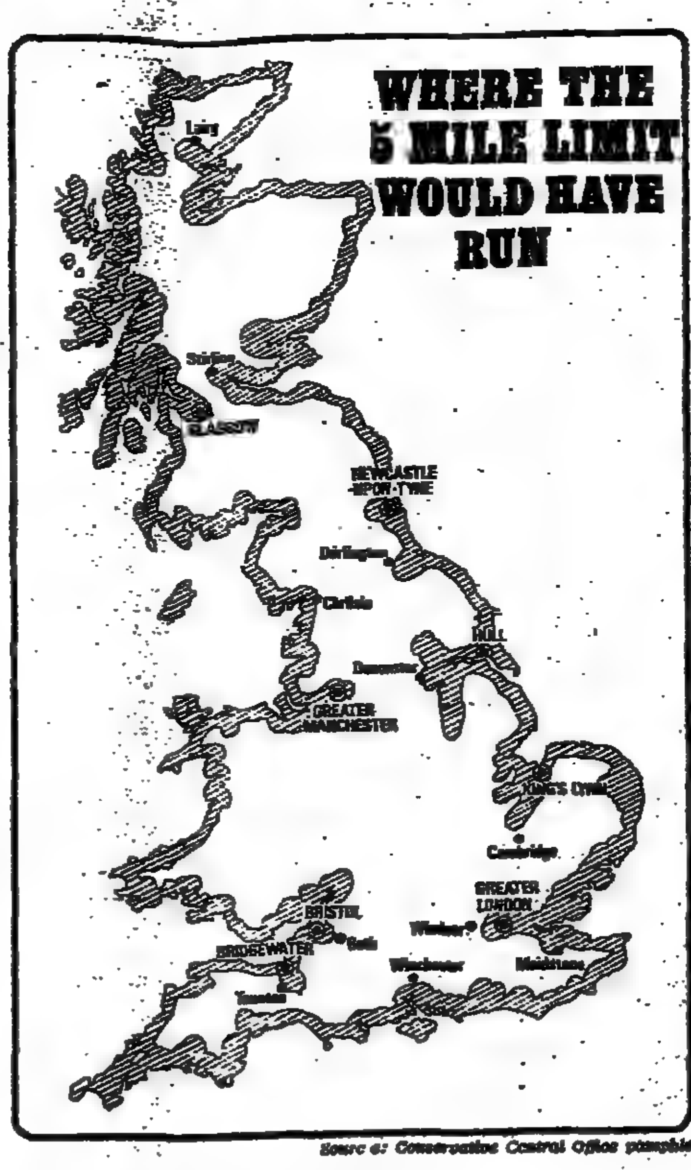
Dock Bill defeats mean new headaches for Mr. Jones

MR. JACK JONES general secretary of the Transport and General Workers Union and the driving force behind the TUC's social contract with the Labour Government, is learning in the most awkward way possible what it means—as he pledged recently—to support that Government "through thick and thin."

Labour's defeat in the House of Commons on Wednesday night on two of the Lords' fundamental amendments to the Dock Work Regulation Bill has given Mr. Jones a nasty problem in his own backyard.

The majority of the 32,000 registered dockers in Britain are members of the TGWU, and it was to placate their anger at the way modern cargo-handling techniques have been cutting into traditional dock employment that the Government produced the Bill.

Mr. Jones, a former docker himself, has never found his dockers—particularly in the Port of London—easy to control: the unofficial strike in London at the beginning of last year was evidence enough of that. To complicate matters further, many of the men employed on work claimed by dockers—container handling, cold stores—are also members of the TGWU.



Source: Conservative Central Office pamphlet

Terry Kirk

London dockers meeting on the "blacking" of container lorries.

Overnight transfer

The Bill has never been popular with those other TGWU members, who feared for their livelihood and have continued to worry—in spite of official accord, within the union and between all the unions affected by the proposals that the Bill did not mean overnight transfer of work from non-dockers to dockers.

On the face of it then, Mr. Jones has two important groups within his own union who must be at loggerheads over jobs: until now the dockers appeared to be winning. To-day because of what happened in the Commons the drivers, warehousemen and others appear to be winning. And yet the reaction to this reversal was—with a few exceptions—surprisingly muted yesterday, for all the warnings that any tampering with the Bill would start industrial action. Mr. Jones himself said that the union "has most definitely not threatened a dock strike." The union would continue to press the measure through the elected Parliament, he added.

There are a number of possible explanations for that sanguine response. First, although the two Lords amendments have emasculated the Bill by severely limiting its geographical scope—and therefore the numbers of establishments that might become the province of registered dockers—the fight is not yet over and the full measure could be introduced again in the next Parliamentary session. Indeed some of the most militant dockers' leaders were still apparently confident yesterday that they had witnessed only a temporary setback.

Second, it is doubtful whether the ordinary docker has followed the measure's long and contentious path through consultative stage, Commons committee and the Lords. Like most people outside Westminster he finds these procedural upsets in Parliament something of a mystery. What has angered some of them, of course, is the fact that two Labour MPs, Mr. Brian Walden and Mr. John Mackintosh, should so ostentatiously sit out the crucial votes in a House of Commons bar. That does not detract from the truth of Mr. Walden's assertions yesterday that many TGWU members in his Birmingham constituency opposed the Bill, and that many other Labour MPs disliked it as much as he does.

But perhaps the most important reason for the lack of immediate response from the dockers is this: the news has filtered down that whatever the Dock Work Regulation Bill means, it certainly does not mean that the 15 per cent. or so of dockers who are surplus on most days in British ports were going to walk into secure employment the day after the Act received the Royal Assent.

Indeed, even before Wednesday night's events, the Government—under pressure from other unions and quite apart from the huge campaign by employers against the Bill—had written in amendments ensuring that that would not happen. Broadly, the Bill would "solve" the dockers' problem, not by handing container work or cold store work to dockside men now underemployed, but by making registered dockers out of unregistered men away from the quayside.

In effect, traditional dockers would only gain as vacancies arose in the new territory—now so severely limited by the Lords amendments — and assuming that other workers in the territory would not use the right of veto over the work becoming registered, a right written into the Bill by the Government.

This is not to say that there will be no demonstrations: it is too early to say how the news will be taken. But yesterday, for instance, some employers were betting that the incident would pass off quietly. If the Bill were finally killed, they said, there could be trouble, but it might take the form only of an official one or two-day token strike by the TGWU. One of them argued that it was unlikely that even the militants would want to repeat the 1975 London strike, let alone the 1972 national strike—both of which, of course, arose out of the "dockers' work" argument which the Bill was supposed to be solving once and for all.

Industrial action on any scale over Labour's two Wednesday night defeats would clearly not only embarrass Mr. Jack Jones in his role as Labour's trade union bodyguard, but would damage the British economy at the worst moment imaginable. To put it no higher, the foreign exchange market would not take a charitable view of it.

What actually happened in the House of Commons was that the Government failed to remove two Lords amendments. One of these replaced the words "cargo-handling zone" with the words "definable dock area." The other reduced the five-mile zone within which employers would be liable to come under the strict terms of the already existing dock labour scheme. That zone was defined as an area within five miles of the coast or a major navigable inland waterway, and would have extended right round the country, a considerable distance inland in some parts, and would have embraced all those ports not at present included in the dock labour scheme. As the Bill now stands, the zone is reduced to half a mile in a direct line from any harbour (still including ports outside the scheme); and as the successful movers of the amendment would admit, their intention was quite simply to remove the guts of the plan.

In other words, all those warehouses, cold stores, container group depots which have moved away from the dockside in recent years—partly because the techniques have changed, partly because of competitive pressure, but also of course to avoid employing registered dockers—would escape the legislation.

It should be added that the Bill is, fundamentally, an enabling measure—including, until now, the possibility of extending the five-mile zone even further. The fact that an operation was within the zone would not automatically mean that its employees became dockers. Each operation would be considered individually against criteria set out in the Bill and separate orders would have to be made. This fa[...] been naturally stressed b[...] Government spokesmen, [...] been submerged in the [...] controversy. It has not [...] the Conservative leader[...] ever, and they know th[...] if the Bill passed into la[...] need not provoke Mr. Jones's wrath by try[...] repeal it if they were r[...] to power. They simply need to do nothing [...] implementing it.

All this has not deflec[...] Bill's many critics, who [...] wrong to extend a [...] scheme that confers p[...] virtually unique in [...] industry. A docker ca[...] sacked, except for seric[...] conduct, and must be pe[...] to take a voluntary se[...] payment of over £5,000 [...] employer who no longe[...] him. The cost of pa[...] surplus labour can be [...] able and one of the big[...] ployers of dockers, the [...] London Authority, is as[...] Government to take o[...] burden from them.

Whatever the argum[...] is plain that the att[...] solve dockers' grieva[...] legislation has been t[...] some doubt. To what [...] so far unclear—and tha[...] the TGWU hierarchy w[...] to know before leap[...] action.

Numerou[s] inquiries

The feeling there is [...] has happened to the [...] zone is not the real p[...] real point is whether [...] CBI sees as a local—[...] ticularly London—prob[...] be dealt with by [...] whether, as the CBI w[...] an inquiry into spec[...] plaints. There have [...] numerous inquiries in[...] land's troubles, which [...] why the Government [...] to the belief that only [...] tion will end the argum[...]

Events of the past [...] have encouraged emp[...] believe that the Bill wi[...] subject to a "long, coo[...] look," as one of ther[...] But there is unlikely [...] sudden change of hea[...] those companies wh[...] been holding back i[...] plans for fear that th[...] be caught by the [...] corridor.

One company that [...] relieved last night, h[...] Dagenham Cold Store [...] of militant London d[...] past disputes. The [...] cold store is within th[...] zone, but outside the [...] zone. It employs abo[...] men, who are TGWU [...] and two of whom are [...] For this employer, th[...] ment's Commons defe[...] best news for man[...] month.

MEN AND MATTERS

Should we sell Mole?

The British Government's half share of the cost of scrapping the Channel Tunnel was £20m. But perhaps some of this can be retrieved—if it is decided to go ahead and sell the Mole.

"We don't like this name Mole," said a Department of the Environment spokesman disapprovingly yesterday: the correct title is the Priestley Tunnelling Machine, the crucial piece of equipment that actually gouged out 200 metres of Chunnel before the whole project was killed in January last year.

The machine now lies 44 metres down under the sea. A team from the Robert Priestley company of Gravesend which supplied it in 1974 at a cost of £547,000 goes regularly along the tunnel to nowhere to service the machine.

When the Channel Tunnel was abandoned, the Government talked of mothballing the initial workings against possible resumption in some prosperous future.

The DoE said there was one possible buyer interested, but it was emphasised that no final decision had been made on formally putting the machine on the market.

"I know two people who had better not come within five miles of here for a start!"

Fabians divert

The reality of MPs' working lives was brought home vividly again by the events early yesterday when Labourites John Mackintosh and Brian Walden turned deaf ears on entreaties to save the Government's Dockwork Regulation Bill. The relevant dramatic scene took place in the Press gallery bar, one of several in the place which stay open evenings and early mornings as long as potential patrons are around.

MPs' main haunt is the strangers' bar, where they can invite in guests; the Press bar where the two rebels were found is the preserve of Lobby journalists, and MPs enter by invitation.

By the time Government whips—and an irritated representative of the Left, Eric Heffer—had found Mackintosh and Walden, the pair were determined to abstain on the matter of extending dockers' working areas. Of all the ways the Bill might have been savaged, this way was the most unexpected. But perhaps a little more detective work by Government business managers might have warned of trouble to come.

The clues came earlier on Wednesday evening when Mackintosh, 47, member for Berwick and East Lothian and a former professor of politics, was billed to give a lecture on "The Moral Basis of Socialism," to the Fabian Society. This was to be held at the London School of Economics, but when the audience arrived, it found a coach laid on to divert it to one of the Commons' committee rooms.

Mackintosh duly gave his speech, interrupting it at one stage to vote with the Government on an earlier amendment. Mackintosh, an established moderate, voiced his unease to the Fabians about the Docks Bill, and went on to argue against indefinite increases in the size of the State sector of the economy. Don't label me a Tory though, he urged: he could never comprehend their lack of idealism.

Among those in his audience was another Labour MP, Brian Sedgemore, who is very much on the other wing of the party. He is due to give the next Fabian lecture, on the same theme, in a fortnight's time. Venue is the LSE again, though perhaps a coach should be available, just in case ...

Expansion

Many annual reports sent out dutifully to shareholders surely end up in the dustbin unread or at best lightly scanned. So investors in equities may need to think soon about investing too in bigger bins: the size of annual reports is increasing inexorably.

In the early 1960s, reports were fairly simple affairs with many companies using whatever accounting principles best suited individual purposes. Gradually, Governments and accountants expanded and standardised the presentation rules — and now the need to conform with EEC regulations will make for even fatter reports.

In the next couple of years, companies face the prospect of incorporating into annual accounts the results of all the tortuous debating that has been going on in the accountancy profession over inflation accounting. The Government's Sandilands Committee has recommended current cost accounting: the profession is divided on how best to implement Sandilands; so assuming the committee's recommendations come into force in 1978 as planned, companies will have to publish two sets of accounts, one à la Sandilands and one "traditional," for a few years.

To that can be added the pleasures of European harmonisation. This probably means conforming to EEC accounting laws before the end of the decade, though sceptical British accountants doubt whether the quality of information will improve. A measure of the problem to come is that in the official EEC texts, the format shown for one of two balance sheets that will have to appear in all annual reports is over a yard long in all.

Called away

Calls from Dublin to London usually cost around 50p. A colleague asked in a Dublin hotel for a reverse charge call to this office. That, he was told, would be 50p. Yes, he said, but charged to London. No, they said, the 50p was the charge to him for them making the reverse charge call. And what would it cost London then? Well, London would be charged £1, being the usual 50p plus the 50p reversing charge. This, he was assured by the Royal Hibernian, was now "general practice."

Canter banter

Hear about the frisky young stallion who caught up with a chestnut filly as she trotted along? "Hullo, gorgeous!" he said. "I can't remember your mane, but the pace is familiar."

Observer

POLITICS TO-DAY

BY DAVID WATT

What's left for Labour

THE last two weeks I have concerned in this column the short- and medium- prospects of the Labour rnment and have argued in spite of acute difficulties likely to survive for a con- able time. The events of last two days have not usly affected this analysis ever appearances may est. The Government has red some more blows to its le and its credibility but are not yet fatal ones.

is week I turn to a longer ective—for two reasons. , the by-election results of week suggest clearly, for first time since October, that the future of the ur Party in the 1980s will bly be worked out in sition.

ondly, the opinion polls to the likelihood that the ection results came at the m of a rapid slide which with the Labour Party rence in late September. important element in llapse of the last six weeks to have been the effect opinion in this country abroad of the Labour s' apparent inability to control of their left wing at the conference or sub- ntly in the National Execu- Committee.

the face of it, therefore, is a fairly strong chain of and effect linking recent pments to a long-run e of the Labour Party by ft. First the left incon- ly denounce Government , thereby lowering party e and depressing foreign ence. Next they saddle the nment with a lot of ex- t ideology in the election esto, thereby adding to the ility of an election defeat. a catastrophe at the polls ft consolidate their posi- and capitalise on the —which they will blandly is the result of the Government's refusal to accept their radical recipes. Q.E.D.

But is this scenario really so certain? In order to "capture" the Labour Party it is not enough for an ideological faction to control the National Executive or the party conference, it must also control the Parliamentary Labour Party, the Cabinet, and probably the General Council of the TUC as well. At present the leader of the Party is strongly right-wing. His Cabinet is overwhelmingly right/centre. Of 318 Labour MPs probably not more than a third could be called left-wing with any certainty (the Tribune Group is no more than 80 strong). The General Council is a mixed bunch, but its most powerful members are at present supporting the Cabinet in orthodox, middle-of-the-road policies. What factors are likely to change this pattern between now and 1980?

Consider once more the situation after Labour has lost the next general election. It is possible to make out quite a good case for saying that nothing need change very much. It is true that Mr. Callaghan would probably not survive for very long as leader but it is by no means certain that his successor would be an out and out left-winger such as Mr. Benn; or that the Shadow Cabinet (which during periods of Opposition is also elected by Labour MPs) would be predominantly left-wing either. The balance of the Parliamentary Party after a Conservative land-slide might well be further to the right than it is at present, since a number of the new left wing MPs who came in 1974 would presumably be the first to go down the plug-hole.

This is a seductive argument and up to a limited point it may even be valid. But it has to be heavily qualified by wider considerations. The first is that in Opposition a Shadow Cabinet cannot plead the force of external events when arguing ideological questions either with its supporters in Parliament or with the Labour movement as a whole. The Tribune Group in Parliament would be far less inhibited about rebellion when there was no question of bringing down the Government, and the policy pressures which could be brought to bear on the leadership by left-wing constituency parties, and by a left wing National Executive would be far greater. Given the inveterate tendency of the centre in the PLP to opt for a quiet life and to drift with the strongest prevailing current, it is not at all clear that there would be much resistance.

The second point is that if one looks beyond the immediate post-election scene there are many ways in which the left can continue to improve its position. There is, for instance, the question of how the Party leader is to be elected—a prime example of the way in which recent events cast a long shadow forward. The establishment, at the behest of the last conference, of a committee of the NEC to examine ways of widening the electoral college will not produce an immediate crisis. But a committee composed, as this one now is, of four left wingers and two moderates and backed by an NEC in which there is a left-wing majority is certainly going to produce a major constitutional crisis within the Party within the next five years—and then in the aftermath of defeat the chances are that it would be resolved in a populist, and therefore a left-wing, direction.

Similar possibilities exist for the left to influence the selection of new candidates and to exert disciplinary pressure on existing ones, in constituency Parties. The Organisation Committee of the NEC already has a permanent left-wing majority (see table top right). The four-man Inquiry Committee which looks into complaints of malpractice and adjudicates in quarrels, such as those involving Mr. Reg Prentice and Mr. Nevile Sandelson, has been quietly expanded by one (left-wing) member, so that instead of a two-two left-right composition there is now a three left to two right majority.

At the same time the whole row about the appointment of a Trotskyite as Youth Secretary of the Party conceals the serious problem of extreme left-wing infiltration into a number of constituencies.

If one takes all this together, it will be seen that Mr. Callaghan is now playing for very high stakes in Party as well as national terms. A failure to get the economy right could well mean the end of Labour as a social democratic organisation and its adoption of pure socialist doctrine of a more or less extreme kind (allied as Mr. Enoch Powell, has justly pointed out this week, with the instictive nationalism of which he approves).

The discussion so far suggests strongly that while the risk cannot be entirely removed, it could be greatly reduced and the possible long-term damage limited from Mr. Callaghan's point of view, by an attempt to reassert some kind of control over the NEC. This can hardly be done without changing its composition. As the tables show, the Left is now in a commanding position both on the NEC as a whole and on its constituent committees. Indeed the Left-wing dominance is even more pronounced than it looks on paper. For it is the Right-wingers who are most likely to be absent on business or to leave the meetings early. Moreover, Mr. Ron Hayward, the general secretary, who is ultimately responsible for the distribution of committee posts has produced, whether by accident or by design, a scheme which is heavily biassed to the Left. It is theoretically possible in the NEC itself, and in the Home Policy Committee, to produce a deadlock if Mr. Benn has his arm twisted by the Prime Minister and Mr. Kitson has his arm twisted by Mr. Jack Jones. But on all except the most desperate occasions and on the other committees, the Centre is a lost cause.

If Mr. Callaghan therefore wishes to make any impact he must change the balance. Nothing can be done about the seven constituency members; but the question is whether the trade unions can be persuaded to accept the logic of their own support of the Government and vote for different candidates in the trade union and women's sections. The difficulty here comes in two instalments. In the first place the trade union section itself is a carve-up. The General Council has privately agreed that certain unions should have a more or less permanent right to put their own nominees onto the NEC and nobody is anxious to challenge this treaty for fear of retaliation against his own candidate. Secondly there is an almost invincible temptation for general secretaries to solve their internal difficulties by placating powerful left-wing factions with a seat (Messrs. Forrester, Kitson, McCluskie and Williams) or rewarding decent, hardworking comrades of no prodigious distinction (Messrs. Chalmers, Hickling, John and Tuck).

The most promising avenue of change is to influence the block votes in the women's section; and the sharp drop in Miss Maynard's and Mrs. Short's votes tihs year probably shows the first fruits of some ground work here. In the end, however, the issue comes back to the real balance of power within the trade unions themselves and their ultimate attitude to the Labour Party as such. If the unions "go left" as a result of economic troubles, this will affect the situation in constituencies, in Parliament and in the NEC. If as seems more probable at present, the political complexion of their leadership does not alter much in the next few years, it is still possible that they will simply lose interest and revert to business unionism, leaving the constituency parties and the left to make the running. Mr. Callaghan's most urgent task apart from the economic crisis is to see that this does not happen.

POLITICAL BREAKDOWN OF THE LABOUR PARTY NATIONAL EXECUTIVE

Right	Doubtful inclined right	Doubtful inclined left	Left
			Allaun (3)
T. Bradley (3)	Chalmers (all)	Benn (3)	Atkinson (all)
Callaghan (all)	Foot (all)	Kitson (2)	N. Bradley (2)
Cartwright (2)	Hickling (3)	Jeger (2)	Castle (2)
Mulley (2)	John (1)		Forrester (3)
Padley (2)	Tuck (2)		Hart (3)
Stanley (2)			Heffer (4)
S. Williams (2)			Lestor (all)
			McCluskie (2)
			Maynard (3)
			Mikardo (3)
			Short (3)
			E. Williams (1)
7	5	3	13
12		16	

Figures in brackets indicate membership of four key committees.

Committee	Right	Doubtful right	Doubtful left	Left
Home Policy (Chairman: Benn)	Right 9	Doubtful right 2	Doubtful left 1	Left 10
International (Chairman: Mikardo)	Right 5	Doubtful right 2	Doubtful left 3	Left 11
Organisation (Chairman: Chalmers)	Right 5	Doubtful right 4	Doubtful left 2	Left 8
Publicity (Chairman: Jeger)	Right 3	Doubtful right 2	Doubtful left Nil	Left 10

NATIONAL EXECUTIVE COMMITTEE—MEMBERSHIP

Chairman:	J. Chalmers
Vice-chairman:	Miss Joan Lestor, MP
Treasurer:	N. Atkinson, MP
Leader of the Parliamentary Party:	J. Callaghan, MP
Deputy Leader of the Parliamentary Party:	M. Foot, MP
TRADE UNION SECTION	
Amalgamated Society of Boilermakers:	J. Chalmers
National Union of Mineworkers:	E. Williams
National Union of Railwaymen:	R. Tuck
National Union of Seamen:	S. McCluskie
Amalgamated Union of Engineering Workers, Engineering Section:	W. John
Union of Shop, Distributive and Allied Workers:	W. Padley, MP
National Union of General and Municipal Workers:	H. E. Hickling
Transport and General Workers Union:	A. Kitson
Transport Salaried Staffs Association:	T. G. Bradley, MP
Association of Professional, Executive, Clerical and Computer Staff:	F. Mulley, MP
AUEW, Technical and Supervisory Section:	J. Forrester
Post Office Engineering Union:	B. Stanley
SOCIALIST, CO-OPERATIVE AND PROFESSIONAL ORGANISATIONS	
Royal Arsenal Co-operative Society:	J. Cartwright
CONSTITUENCY ORGANISATIONS' SECTION	
Ian Mikardo, MP	Frank Allaun, MP
Anthony Wedgwood Benn, MP	Michael Foot, MP
Mrs. Barbara Castle, MP	Eric Heffer, MP
Miss Joan Lestor, MP	
WOMEN MEMBERS	
Mrs. Judith Hart, MP	Mrs. Shirley Williams, MP
Mrs. Lena Jeger, MP	Miss Joan Maynard, MP
Mrs. Renee Short, MP	
LABOUR PARTY YOUNG SOCIALISTS	
Nick Bradley	

Letters to the Editor

sinking und

Sir Frederic Bennett, MP.

—In your second leader on ber 5, your headline read goes down can come up." were specifically referring uities or the Bond Market, ould safely add "and often

owever, you were referring erling you should instead added, on our currency's ar record "but never For it has been con- ly shown over and over that a floating pound is a

of course true that when event or non-event leads fall in the value of the , there is nearly always a ive factor involved which uently raises its value to xtent, but never up to the t which it stood before any lar fall!

still heresy to recommend rn to a fixed parity, but his system is readopted, t if not in whole, succes- British Governments are lways to yield to the easy of accepting the conse- s of a sinking Pound in nce to the electorally lar steps that would be to regain and maintain y.

e Bennett,
of Commons, S.W.1.

no gains from rgers?

Mr. K. McCahill.

In reply to Geoffrey statement (Lombard, er 5) Mr. Dauris ber 10) suggests that rs in the big league are to benefit the economy hareholders" and that an ation into mergers in the ight help identify who, gains from mergers. the supervision of Pro- A. Brealey, I have just ed a research project at don Graduate School of s Studies which investi- e profitability of 327 mer- curring between 1964-73. mple covers all mergers period between com- quoted on the London xchange where the mar- e of the acquired com- as at least 15 per cent. the acquiring company. nts for expenditure of out of the £10.7bn. offi- stimated to have been n mergers, and, with a eptions, includes all the ons of large companies eriod.

ability was determined ulating total returns to ders (capital gains plus ls) after adjusting for in the FT 500 Index. ck Market's assessment ability was used in pre- to the ratio of net assets al employed since this dependent on accounting ons which may differ be- ompanies.

s before the bid was ed, between the an- ent and acceptance d (in the case of acquir- panies only) up to five st acceptance date were d. In the context of the discussion the important re:

the period from the day he bid was announced to ce date, acquiring com- o as well as the market uired companies make in excess of the market per cent.

2. From acceptance date to five years post acceptance the acquiring companies do as well as the market.

3. Large companies who acquire, perform no better nor worse than small companies.

These results suggest that there are substantial economic gains resulting from mergers, but that the gains accrue to the shareholders of the acquired companies.

Kevin McCahill,
White House, Brompton, Nr. Appleby, Cumbria.

Industrial relations

From the Chief Executive, Joint Industry Board for the Electrical Contracting Industry

Sir,—I find your report "Heartbreak House on Teesside sites" (November 9), misleading although I would echo its final statement. "There's only one major factor, industrial relations, and that can't be stressed enough."

You miss the point that industrial relations on a large engineering site do not develop in a vacuum. If the civil engineers at Redcar (whose industrial relations you applaud) simply pay twice as much as anyone else and then cheerfully conclude severance pay agreements providing hundreds of pounds in bonuses (incomes policy or not) then it is not really surprising that it is someone else — you specify the mechanical trades — who has industrial relations difficulties. If the mechanical trades were paying twice the civil engineering rate, the boot would, of course, be on the other foot and the "enlightened management" would suddenly become reactionary. The civil engineers are fortunate in this respect because their specialism is such that they are the first trade on a site and, in consequence, they are likely to be less conscious of other trades, than other trades are conscious of the civil engineers.

I completely accept your thesis that industrial relations on large engineering sites are not good enough. I must, however, reject the conclusion that "flexibility" on wages is any sort of answer; it is simply the recipe for firms to compete for peace by bidding up wage levels and this can be no sort of answer. Various civil engineering firms have caused much of the dissatisfaction on Teesside and I take exception to your article suggesting the contrary.

J. R. Walker,
Kingswood House, 47-51, Sidcup Hill, Sidcup, Kent.

Combined heat and power

From Dr. N. Lucas.

Sir,—In a letter to you (October 26) about the costs of solar heating I cited combined heat and power (CHP) as an example of a technique of energy conservation which becomes more attractive if considered as a problem of allocating national resources rather than being judged by the result of an unequal struggle between the electricity supply industry and potential or existing operators of the technique.

Because several of your readers wrote to me asking for justification of my passing comment and because it is now a matter of topical concern following the recommendations by the Royal Commission on Environmental Pollution for an alternative energy strategy containing CHP and because rumour has it that the case is going badly in the working party set up by the Secretary of State for Energy in February, 1975, to study the matter—for these reasons I am prompted to give the argument a run outside the technical journals.

CHP is trivially shown to conserve fuel; it is more difficult to show that it is economically worthwhile. A total energy system suffers from two disadvantages—first, that services must be secure, this requires unproductive investment in standby plant and, second, that the local heat and power loads must be met simultaneously, this requires at best ingenuity and more probably money. Both problems go away if CHP is run in parallel with the public supply and electricity is generated locally to match the local heat demand. The responsibility for standby is passed on to the public supply which, whatever it may say, can handle the responsibility at lower cost and the load matching problem disappears; indeed, because electricity is available at times of peak demand the load curve for public supply is improved.

In assessing this arrangement it would be wrong to use retail tariffs to value the local electrical supply because the proposal would not reduce distribution costs. But I contend that the bulk supply tariff (BST) is a fair measure of the costs foregone on the central system. The unit charges in the BST are a direct measure of the value of units generated locally and the capacity charges, reduced by an appropriate factor to account for random probability of breakdown are a fair measure of the capital credits to the local system.

Calculations made by crediting the local system with 75 per cent. of the capital charge appearing in the BST and making due allowance for non-fuel operating costs indicated that a large percentage (50 per cent. or more) of low-temperature industrial process heat and domestic space heat (when agglomerated in a district heating scheme) could be combined with electricity generation, including the celebrated Pinkston scheme.

Peak times

A tariff for local generation which properly reflected the cost involved would involve transfer of units at BST prices and a *payment* by the public supply for the capital operating locally at peak times; there might be some resistance to this idea.

There are real problems in operating the policy which it would be wrong to underestimate and the sunk costs of the acute overcapacity in the CEGB system are also important (although not beyond the scope of analysis), but what I am asking now is whether the appraisal which I have outlined is an adequate starting point. I have been left in no doubt by the supply industry that they think not, but I confess I do not understand why.

N. J. D. Lucas,
Imperial College of Science and Technology,
Dept. of Mechanical Engineering,
Exhibition Road, S.W.7.

Trade union worker directors

From The Chairman Opinion Research Centre.

Sir,—Your Management Editor suggested (November 8) that the Bullock Committee will unanimously opt for trade union based worker directors in its forthcoming report. If this proves to be true it would appear to be flying in the face of what workers—union and non-union alike—seem to actually want.

Over the last two years we have carried out a number of surveys studying the priorities and preferences of workers in this country and seldom has a message been clearer.

If worker directors are to be appointed by or at the instance of unions, or if, indeed they are to be appointed by trade union member within a company, this ignores a number of very important facts:—

Our surveys show beyond any possible doubt that the majority of workers union and non union alike, do not wish to have the trade unions involved in the choice of worker directors. By making these decisions "trade union based" it effectively, for this purpose, dis-enfranchises that vast percentage of the working population who are not trade union members.

That workers, if they are to have worker directors at all would like it to be an internal matter, decided by the vote of all employees and not just by the trade union workers or internal leadership.

One of the surveys to which I have referred was supplied to the Bullock Committee, thus it cannot be in ignorance of what workers actually would like.

My understanding of the democratic process which the unions, in theory at least, claim applies to themselves, is that the wishes of the majority shall prevail. But if your Mr. Elliott is right it is obvious that a method is going to be adopted which is directly opposed to what the mass of workers, (unionists and non unionists alike) would actually like to see happen

The tables taken from a survey we carried out this year on workers participation illustrate my point. The larger one shows the views first of a national sample of all full time workers. The subsequent column shows the views of people working in companies which are fully or largely unionised, establishments which are half unionised or less, and those which are not unionised. The other table rounds out the picture I think.

It will be noted that even in places where there is full or majority unionisation, there is not a majority view in favour of union based solution.

T. F. Thompson.
251-259, Regent Street, W.1.

Eligibility for Election as Worker Director
Who should be able to become a worker director in own organisation

	Yes %	No %	Don't know %
Anyone who is employed there	61	23	18
Anyone who is a trade union member and employed there	46	30	24
A trade union official who does not work there himself, but whose members do	6	70	23

Different Methods of Appointing Worker Directors

	Best method: All %	Best method, Workplace unionisation: All/majority %	Half/less %	None %	2 worst methods: All %	2 worst methods, Workplace unionisation: All/majority %	Half/less %	None %
Elected by all workers and employees	53	49	64	55	5	7	5	5
Elected by all workers and employees who are union members	13	22	2	1	27	17	45	40
Nominated by management	13	8	17	21	51	63	33	35
Nominated by works council	5	6	4	4	18	23	9	15
Elected by shop stewards or equivalent	2	4	—	*	48	45	56	52

* Note: indicates less than 0.5%.

Spending cuts & unemployment

From Mr. D. Foster.

Sir—I have noticed in recent weeks that the "self-appointed leaders" of our society who are loudest in calling for more and more cuts and who discount the higher unemployment that would result, are the very people who are least likely to be unemployed themselves or those who have sufficient private means to cushion themselves from all misfortune. It is easy for them to take such a "detached view."

They have no real knowledge or awareness of the suffering, hardship and degradation for those who are unemployed. Such pontificators lack compassion. There are also others who will state that too much compassion will ruin the country. Is there no middle path between compassion and our present materialistic society?

We must not forget also that unemployment to-day for many unfortunates is a kind of "living murder." Many made unemployed now, often through no fault of theirs (and executive types are perhaps in the forefront here), will never again be able to earn their living. They will have to depend on charity and in to-day's world is this any better than death?

D. W. Foster,
Blue Skies, Fernhill Close, Woking, Surrey.

To-day's Events

Balance of payments figures for October.

Mr. James Callaghan, Prime Minister, attends first Franco-British summit with President Giscard d'Estaing, while Cabinet Ministers have talks with their French counterparts, Paris.

Leyland Cars expected to submit plans for £80m. investment in new foundries to National Enterprise Board.

Board of Airline Representatives in U.K. discuss recent cases of air fare discounting by international airlines with Department of Industry.

Sir Lindsay Ring, Lord Mayor of London, and Sir Robin Gillett, Lord Mayor Elect, attend Court of Aldermen, followed by Silent Ceremony in which emblems of office are handed over, Guildhall.

PARLIAMENTARY BUSINESS

House of Commons: Supplementary Benefit Bill, second reading. Motions on EEC documents on lawyers and on road worthiness tests.

House of Lords: Southern Rhodesia Act 1965 (Continuation) Order. Health Services Bill, committee.

OFFICIAL STATISTICS

Retail price index (October). Building Societies' receipts and loans (October). Usable steel production (October).

COMPANY RESULTS

Minster Assets (half-year). Wolseley-Hughes (full year).

COMPANY MEETINGS

Cray Electronics, 5, Belgrave Square, S.W., 12. Henshall (W) and Sons (Addlestone), Cobham, 10.30. HTV, Cardiff, 10.30. Hoare Govett, Heron House, High Holborn, W.C., 4.45.

COMPANY NEWS + COMMENT

Coats Patons reaches £32m. midterm

TAXABLE profit of Coats Patons almost doubled from £16.17m. to £31.94m. in the first half of 1976 and the directors say that this should at least be repeated in the second six months, which will result in a record for the year.

Last year's profit was £37m. and this compares with the previous year's £46.96m. and the peak £53.07m. in 1973.

First half 1976 sales increased by 32 per cent. to £299.82m., of which 12 per cent. is due to exchange differences and 20 per cent. to increased volume and prices.

On a global basis thread sales were up by 13 per cent. in volume, despite a fall of 5 per cent. in the U.K. World thread volume, however, is still running 10 per cent. below July-December, 1973, the peak sales period, the directors state.

U.K. sales of industrial yarns improved, while fabric sales worsened considerably. Overall activity in knitwear and other garments was down although Jaeger achieved substantial increases in turnover at home and abroad.

At the trading level, first half profit rose by 60 per cent. to £33.14m., of which £9.79m. was *due to the weakness of sterling*—improved volume and prices increased profits by £8.66m. With the exception of the U.K., improved trading conditions continue, they add.

For the full year they estimate that trading profit will benefit by £5m. from exchange movements.

Particularly encouraging is the increase in margins to 11 per cent., reversing the downturn of the past two years, say the directors.

The interest charge *fell* substantially, to £2.61m. (£4.77m.), owing to the considerable amount of de-stocking which took place in 1975.

Profits of associates showed a significant improvement in line with the better conditions prevailing abroad.

No provision is required in respect of ACT not immediately recoverable.

Earnings per 25p share were 5.7p (2.7p) and the net interim dividend is stepped up from 0.9444p to 1.0388p—last year's total was 2.6515p.

	First half 1976 £000	1975 £000
Turnover	299,821	226,567
Depreciation	7,370	5,940
Trading profit	33,175	20,787
Interest, etc.	2,614	4,771
Profits of associates	916	224
Investments, etc.	505	39
Profit before tax	31,943	16,169
Taxation	11,770	7,635
Net profit	19,173	8,534
Investment grants	177	195
Minorities	2,262	1,161
Extra-ord. debits	372	—
Pref. dividends	31	31
Attrib. Ordinary divs.	15,229	7,434
Ord. div.	2,674	2,615
Retained	12,434	4,741

● comment

The expected sharp recovery has been achieved by Coats Patons, with profits nearly doubling at the pre-tax level. Growth is apparently continuing in the second half-year, *so the out-turn for the year could* be £65m. pre-tax or more, against the previous peak of £54m. in 1973. Sales growth of 32 per cent. for January-June splits more or less equally between volume, local prices and exchange differences. There is a fairly universal picture of expansion in overseas markets but the U.K. remains disappointing with thread sales actually down 5 per cent. Even in the U.K., however, profits (under a fifth of *the global total in 1975*) could start to pick up in the second half. The worldwide recovery of trade is absorbing some of the £40m. cash shaken out in last year's recession, but it looks as though only about £20m. will have been put back into working capital by December, leaving some leeway *for 1977. The shares rose 3p to 30p* on the news, where the prospective p/e may be no more than 4 and the yield is 8.6 per cent.

Wm. Leech £1.16m. at halfway

ON TURNOVER increased from £7.28m. to £10.16m., profit of William Leech (Builders) for the six months to August 31, 1976, was £1.16m. against £1.04m., subject to tax of £622,000 compared with £543,000. The profit is struck after offer for sale expenses of £110,000 (nil).

Stated earnings are 5.1p per 20p share (4.2p) before deducting offer expenses.

While the directors are cautiously optimistic, if present economic conditions continue, the company will not maintain the same rate of increase in the second half.

Interim dividend is 2.5p net per share as forecast. In the offer document, a total of 5p net for the year was foreshadowed on the basis of last year's profit of £2.0m.

● comment

In the first six months since coming to the market, housebuilder William Leech has lifted pre-tax profits by 22 per cent. Demand for houses is still running at the 11 per cent. improvement forecast in the offer document in June and the number of houses built should also be on target—40 per cent. up to 2,200. However, *second-half figures will be affected* by the fact that increases in costs are eroding margins. Nevertheless, there is a £4m. tranche of the £11m. local authority contract which should be finalised by the year-end and this could contribute £400,000 to the pre-tax figures. At this rate the pre-tax *profits could be £3.2m.*, which, on a share price of 48p, would give a p/e of 3.5, while at the forecast dividend the yield would be 16.9 per cent.

Boddingtons first half progress

FIRST HALF 1976 pre-tax profit *of Boddingtons' Breweries* increased from £0.97m. to £1.24m. on turnover ahead from £4.67m. to £6.38m.

	First half 1976 £	1975 £
Turnover	6,382,201	4,665,597
Investment income	31,695	16,949
Deben. interest	69,628	12,148
Pre-tax profit	1,240,519	973,070
Tax	680,000	518,000
Prop. disposal surplus	723	7,950
Attrib. Ord.	561,242	463,020

The net interim dividend is 2p, *compared with 1.1666p, adjusted* for the one-for-two scrip in December, 1975 and the directors are proposing a final of 1.5p for a 3.5p total (1.8888p adjusted).

The investment programme for the current year is well in hand with a total of about £1.5m. allocated to increasing brewing capacity and improving licensed houses, the directors state.

● comment

Boddingtons' has come up with an excellent first-half performance. Profits are 27 per cent. higher on a sales jump of 41 per cent., which takes in volume growth of 20 per cent., far above teh average. Price competitiveness, plus the swing from keg beers to "traditional" beers and good weather at the start of the summer, are the main factors behind the performance. Sales to the free trade have increased 140 per cent., to account for 8 per cent. of total trade against 5 per cent. in 1975. The second half would have seen the bulk of the hot weather so profits should continue the upward trend *established in the first six months.* Adding in an extra income boost from the £950,000 rights issue proceeds, full-year profits should have little difficulty in reaching £2¾m. Cash is currently around £2m., but the major capital expenditure is yet to get really under way and the three-fifths increase in capacity is *unlikely* to come on stream for a year. At 84p the prospective p/e is 9 (on average capital) and the yield is 6½ per cent., so Boddington has something of a premium rating to live up to.

Head Wrightson steady

TAXABLE profit of general engineers, Head Wrightson, is little changed at £1.09m., compared with £1.07m., for the half year to July 31, 1976. There are now some signs of an improvement in trade but the pattern is not consistent throughout the group, say the directors.

The net interim dividend is 1.105p (0.975p) costing £148,000, and the anticipated final is 1.755p *—last year's total was 2.6p and* profits £2.56m.

	Half year 1976 £000	1975 £000
Turnover	31,746	29,215
Trading profit	1,284	1,369
Bank interest	183	339
Investment income	16	17
Profit before tax	1,085	1,067
Tax	517	566
Net profit	568	501
Extra-ord. credits	96	29
Balance	634	529

● comment

Head Wrightson has reached half time on target by maintaining profits at last year's levels. *The year-end picture,* too, should be similar even after taking into account a £2½m. overdraft funded investment in foundry plant, new racking for stockholding and the purchase of the freehold of the London HQ. But the problems are to come. In line with the rest of the industry, the company is finding the recession drawing out much longer than expected, with the result that the strong improvement expected at the beginning of '77 is *now in doubt.* Emphasis is being placed on expanding the contracting side to around 50 per cent. of turnover, but margins on this division are lower. Heavy manufacturing and the foundries are bumping along the bottom and the improvements in forging and steel stockholding *are not spectacular. The expected* maximum dividend would give a prospective yield of 12.2 per cent. on a share price down 2p to 37p.

Concentric upsurge to £2.11m.

AGAINST A forecast of around £1.7m., group pre-tax profit of Concentric increased to £2.11m. for the year to September 25, 1975, compared with £1.27m. for the previous year. At half way *profits were up from £0.48m. to £0.91m.*

And the directors look forward with confidence to further progress. They *point* out that reorganisation has still to produce its maximum effect, the influx of funds in the first half has already reduced expensive borrowing and *in addition* to improvements *in* capital assets a considerable amount of time and money has been invested in the development of new ideas *for to-morrow's products.*

Earnings per 10p share for the past year increased from 3.81p to 5.75p and the dividend is stepped up from 1.7875p to 2.145p net with a final of 1.445p, as forecast, on capital increased by the rights issue.

All companies in the group were profitable. The most difficult area was in domestic appliance where steps taken to reduce the *workforce* and to diversify into other lines have so far been very successful.

The largest subsidiary in terms *of capital employed, turnover and* profit, Concentric Pumps, reaped the benefit of a full year in its new premises and further expansion is being considered.

The present overall export effort represents approximately 10 per cent. of total group sales; the intention is to double this within the next two or three years, it is stated.

● comment

Concentric has succeeded handsomely in reaching pre-tax profits of over £2m. only one year after *predicting* that *the* target could be reached in two or three years. Improved profits have been shown by all but one of the 11 subsidiaries and the two loss-makers of last year have been turned round with the management taking a much tighter control. The group covers a wide area of industrial products but notably makes pumps for the motor industry (a promising area for the export effort) and control equip*ment for domestic appliances* (a depressed area in the U.K. but a slimming down operation plus diversification at Concentric Controls should enable it to show growth next year). There is more benefit to come from managerial improvements although the most dramatic period is probably over. *The shares, at 28p (up 3p) yield* 12.4 per cent. covered 2.7 times.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Alida Packaging ......int.	2(d)	Jan. 5	1.31	—	3.14
Allnatt London Props. int.	0.84	Jan. 4	0.84	—	3.27
A. Arenson	1.28	Jan. 28	1.28	1.91	1.91
Anglo-Scottish Invest.	0.89	Jan. 4	0.79	1.5	1.4
AA Asphalt ......int.	0.97	Jan. 4	0.29*	—	2.77*
Assam Frontier Tea	7.87	Jan. 4	7.15	7.87	7.15
J. Beales ......int.	1.0	—	Nil	—	2.0
Boddingtons' ......int.	2.0	Nov. 30	1.17*	—(c)	1.89*
Boots ......int.	0.97	Jan. 7	0.89	—	2.44
Chloride ......int.	1.2	Jan. 5	0.96	—(b)	3.7
Coats Patons ......int.	1.04	Dec. 31	0.94	—	2.65
Common Bros.	3.2	—	2.73	5.2	4.73
Concentric	1.43†	Jan. 5	1.09	2.15	1.79
De Vere Hotels ......int.	1.79	Jan. 7	[illegible]	—	3.82
Feb International ......int.	0.65	Dec. 16	0.65	—	1.93
R. Green Props.	0.84	—	0.84	1.34	1.34
Head Wrightson ......int.	1.11	Jan. 10	0.98	—(e)	2.6
Highgate Optical ......int.	0.56	Dec. 20	0.51	—	2.04
Leopold Joseph Hldgs. int.	1.68	Jan. 4	1.68	—	7.01
Wm. Leech (Builders) int.	2.5(a)	Dec. 13	—	—	—
Manchester & London int.	0.49	Dec. 30	0.49	—	0.97
Menteith Inv.	[illegible]	—	[illegible]	0.32	0.45
Moss Engineering	2.98	Jan. 7	2.54	3.72	3.38
Muar River Rubber	[illegible]	[illegible]	1.41	1.55	1.41
Pork Farms ......int.	3.3	Jan. 4	3.3	—	7.4
Porter Chadburn ......int.	1.3	Jan. 7	0.98	—	4.29
Pritchard Services ......int.	0.44	Dec. 20	0.44	—	1.21
Pyramid (Publishers) int.	0.54	Dec. 23	0.54	—	2.41
St. George Assets ......int.	0.14	Dec. 14	0.14	—	0.39
Sekong Rubber	5.2	Dec. 14	4.72	5.2	4.72
Herman Smith	0.2	Jan. 5	0.16	0.45	0.39
W. H. Smith ......int.	3.09	Jan. 25	2.81	—	8.87
Smiths Industries	3.77	Jan. 3	3.43	5.49	5.0
Sohere Inv. ......int.	1.15(f)	Dec. 3	1.02	—	2.3
Tricoville	0.83	—	0.67	1.46	1.17

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) As forecast in offer. Total of 5p was foreshadowed. (b) Final of 3.4p is forecast on increased capital. (c) Final 1.5p proposed. (d) To reduce disparity. (e) Final 1.755p anticipated. (f) Not indicative of an increased total.

£0.49m. loss at Arenson

FOR THE year ended July 31, 1976, office furniture and equipment makers, A. Arenson (Holdings), reports a loss of £485,000 against a profit of £318,000 in 1974-75. At halfway, the loss was £421,000 compared with profits of £304,000.

In their interim report, the directors said that although results for the second half would show an improvement, they would also be disappointing.

Loss per 10p share for the year is 8.13p (2.79p earnings) but in the light of current trading, the net final dividend is maintained at 1.2826p making an unchanged total of 1.9115p.

Turnover was £7.62m. against £6.44m. After a tax credit of £198,000 (£171,000 charge) net loss is £287,000 compared with *profits of £147,000.* Dividends absorb £164,000 (£107,000) after waivers on the Ordinary of £14,337 (£9,703).

Mr. A. Arenson, chairman, says the poor results were due primarily to the inability to build up production levels as fast as planned, from the uneconomic levels of the first half.

This was coupled with intense pressure on margins, mainly due to much higher import costs of essential raw materials resulting from the fall in the value of the pound. However, overall the situation so far in the current year is much improved with orders, sales and production all well ahead of last year. Exports sales are also running higher and continue to look encouraging in all marketing areas.

While production levels are now rapidly increasing they are not yet on target because of the *continued shortage of skilled* labour. Strenuous efforts are being made to remedy this situation, the chairman adds.

● *comment*

Arenson is likely to come into the black this year even though furniture industry figures remain dull. Spare capacity is being filled by bigger market share, a maiden advertising campaign and new products—factors that also helped push second half turnover last year up by over a third to near break-even. About three-quarters of overheads are fixed, so that the *impact of higher sales could* be dramatic. With the U.K. market likely to stay dull, the main impetus could come from exports, with hopes of reaching £1½m. against £1.1m. last year. Arenson, though, is one the wrong side of the currency equation, with over half raw materials imported—so a continued slide in sterling could keep margins under pressure. The yield of 15.3 per cent. at 20½p takes account of the uncertainties, although it is still a quarter *below* the yield at Caplan Profile where the trading trend has been better.

First Viking Double Option

A new offshore commodity unit trust has been launched, called First Viking Double Option Trust and based in the Isle of Man. The *purpose of the fund* is to purchase double options in the commodity markets. Double options give the purchaser the right to either buy or sell a commodity at a fixed price. A profit can be made if the commodity either rises or falls by more than the cost of the option. A loss is made *if the price of the com*modity remains stable. The managers of the fund claim to have analysed price trends over recent years to show that such a fund would have been profitable in the past.

The initial offer is open until November 26 and thereafter the dealing days will occur monthly. The minimum initial purchase is £1,000 units at £1 each and can *only* be made *via* professional agents such as stockbrokers and banks. The management charges are 5 per cent. at the outset and then 1 per cent. per annum.

The management company is Commodity and General Management and the Trustee is Savings and Investment Bank, Isle of Man.

This is the second First Viking fund to be launched—the first was the First Viking Commodity Trust. Unlike other offshore commodity trusts, First Viking Double Option will distribute all the income it receives from cash deposits. Cash will form a substantial part of the fund until the process of gradually committing it is completed over about a year.

Birmid Qualcast hit by drought

EXTERNAL turnover of Birmid Qualcast increased by 6 per cent. to £170.66m., but pre-tax profit was marginally lower at £10.58m., against £10.71m. in the year to July 31, 1976, *after* £4.83m., against £5.01m., for the first half.

The lengthy spell of hot weather severely curtailed the sales of lawnmowers and thus significantly reduced profitability, but the long, dry spell boosted sales and profits in the irrigation products group, although a full counter-balancing effect is not achieved since this sector is smaller than the lawnmower sector, says the chairman, Mr. R. Leigh-Pemberton.

Foundries division continued to make good progress despite the difficulties in recovering increased *costs, but the market for heating* products remained depressed.

More comprehensive details of trading activities will be given in the statement included with the accounts covering the 65 weeks ended October 30, 1976.

Profits for the period August 1, 1976 to October 30, 1976, traditionally a lower than average quarter, are not expected to show a significant variation from those of the comparative three months in 1975 and it is therefore forecast that, subject to unchanged Government legislation, the maximum dividend will be recommended.

Taking full regard of the extended accounting period, the final dividend would amount to 3.763p per share, making a total of 4.988p per share for the period (3.628p for year).

	1975-76 £000	1974-75 £000
External turnover	170,658	161,408
Group profit	11,094	11,222
Loan stock interest	517	517
Profit before tax	10,577	10,705
Taxation	5,498	5,676
Net profit	5,079	5,029
Minority interest	—	26
Balance	5,079	5,003

● comment

Although Birmid Qualcast's home and *garden equipment division* must have been one of the worst sufferers from the recent drought, the group has managed to hold its 12 months profits fairly steady. This is thanks largely to the foundry interests which must have benefited from a steady in[crease in] orders for motor castings [during] the year. This must be con[tinuing] and since the com[mercial] vehicles sector is also be[ginning] *to show signs of picking* [up,] volume should keep [going] ahead. Even so, with t[he pros]pects of the lawnmower [side] dependent on weather co[nditions] and foundry margins und[er pres]sure from increased pr[oduction] costs, the shares at [...] a p/e of 8½ and yield [on an] annualised 12.8, cover[ed ...] times, look fully valued.

Sharp ris[e] so far by De Vere

MAINLY due to higher e[...] in hotels and increased [...] catering operations, pre-[tax profits] *of De Vere Hotels* a[nd Res]taurants more than doub[led from] £0.25m. to £0.6m. in [the six] months to September 30.

Severely eroded profi[ts] are beginning to be re[stored to] a more acceptable level [and the] directors expect this tre[nd to con]tinue for the remainde[r of the] year.

The interim dividend [is raised from] 1.625p to 1.7875p net—[chair]man, Mr. L. Muller, h[...] payment on 5.44m. share[s ...] Last year's dividend [...] 3.8205p from profits of [...]

The group's gearing [...] to its *assets is* 6 per [...] liquidity position is con[...] be very satisfactory, th[e ...]

As a result of a [...] accounting policy of the [...] of repairs and rene[wals, the] balance of past profit[s brought] forward as at Januar[y ...] has been reduced to [...] *the elimination of the r[...]* renewals equalisation [...] amounting to £188,31[...] before tax is struck afte[r] £233,290 more for repai[rs and re]newals than in the c[orresponding] period of 1975.

Recovery at Alida Packaging

Profits before tax of Alida Packaging Group recovered sharply to £270,302 in the half year ended September 30, 1976. In the same period previously, profits had *fallen* from a peak £823,180 to £20,089.

First half sales improved from £2.23m. to £3.55m. Tax charge is £140,357 (£10,500).

The directors say they anticipate continuing at not less than the current level of sales and profitability in the second half of the year despite expected further increases in raw material costs.

The capital expenditure programme will continue in line with the objective of replacing all older items of plant, the directors add.

To reduce disparity, the net interim dividend is lifted from 1.3053p to 2p. The 1975-76 total was 5.1444p per share when pre-tax profits were £305,126 compared with a record £1.16m. in the previous year.

Reports to meetings

Adwest Group chairman Mr. F. V. Waller told shareholders at *the annual meeting* that the present year had started well for the group and the sales to date were 20 per cent. ahead of last year. The overall order position of the Group was good and the intake to date was well up on the previous year.

He stuck to his forecast that the Group would have an improved year, although the economic outlook has deteriorated.

Dover Engineering Group—In the first half of the current year sales showed an acceptable increase over last year, Mr Alan Bartlett, chairman, reported.

The profit in the six months to September 30 reflected that continuing improvement. Bank indebtedness was further reduced in the period.

Mr. Bartlett also *told* holders that the company had agreed in principle to the disposal of its last residential property. He believed the transaction would be concluded in the present year, leaving Dover with only industrial property— another improvement in the company's position.

Telefusion—Chairman Mr. John Wilkinson said that although it was too early to forecast results for the current year turnover to date was significantly up on the corresponding period of last year and, "subject to no interference or unforeseen circumstances, we expect increased profits for 1976/77."

Trafford Park Estates—Mr. N. G. Westbrook, chairman, reported that rental income should continue to increase while the directors believed there would also be an increase in profits.

Earnings in recent years, he continued, in common with other property companies, had suffered from the high cost of borrowing money. Interest charges in the current year would probably rise by as much as £70,000 but it was *anticipated that profits would off*set these higher costs.

ISSUE NEWS

TAP RESULT

The Bank of England announces that the lists of application for the issues of £600m. of 14 per cent. Treasury Stock 1982, and £600m. of 15¼ per cent. Treasury Loan 1986 opened and closed.

The full amounts of the loans have been allotted, with all applications received from the public being allotted in full.

هكذا من الأصل

Chloride rights—sales and profit growth

RPLY INCREASED first half and profits and a rights of 27.97m. shares (two-for-) at 62p per 25p share, to some £16.7m. net, are an- ced by battery, etc., manu- rers, Chloride Group.

es expanded from £97.54m. 121.59m., and pre-tax profit nced from £7.32m. to £10.2m. he six months. Profit for year to March 31, 1976 was 3m.

rnings per share for the half increased from 7.4p to 9.4p e tax and from 4.1p to 5.3p tax. The interim dividend ted from 0.96p to 1.2p net, final, on the enlarged capi- of 3.4p (2.7351p) is forecast. rowings at £56.3m. increased March 31, 1976 by £12.6m. 44 per cent. is accounted by exchange rate changes had the parallel effect of asing the sterling value of eas assets, the directors

eign currency borrowings nore than matched by over- assets, and overall borrowing ties available well exceed nt needs. The fall in the of sterling sharply increased ost of imported raw materials the rise in lead prices nts for a further 40 per of the increase in borrow- Working capital ratios n satisfactory, the directors

policy is to maintain a r balance between borrow- and shareholders' equity, and roposed rights issue is being to strengthen the U.K. base for capital invest- at home and abroad, to nue with overseas acquisi- as opportunities arise and ke full advantage of the ted upturn in the economy. issue, which has been written by Samuel Montagu Co. will ensure that gearing

Mr. Michael Edwardes, chairman.

remains within the Board's declared limits. Brokers to the issue are Cazenove and Co.

	Six months 1976	1975	Year 1975-76
	£000	£000	£000
Sales	121,593	97,541	215,243
Operating profit	11,956	8,736	21,513
Share associates	563	503	1,401
Profit	12,519	9,239	22,914
Interest payable	2,324	1,918	3,982
Profit before tax	10,195	7,321	18,932
U.K. tax	250	312	2,238
Overseas	4,347	2,944	6,100
Net profit	5,598	3,985	10,594
Minorities	394	168	474
Attributable	5,205	3,817	10,120

Against disappointing profit performance in Britain, where margins were under inflationary pressure, overseas companies performed strongly in difficult conditions. The strategy of geographic expansion accounted for most of the increase in profit, with particularly good progress being made in the U.S. and South Africa, the directors state.

The expected recovery in the demand for motive power batteries has not, however, materialised, so that the satisfactory improvement in profit at the half year was achieved with no help from this sector.

Demand for consumer products is good and the group is helped by the strong performance of its major overseas companies. However, the rate of profit growth in the first half owes something to a disappointing performance in the first half of last year.

The systems business in the U.K. was significantly strengthened by the acquisition of Gent and Co. in August, 1975 and Industrial Instruments in April, 1976. Progress is being made in talks with Pyrotector Incorporated in the U.S.

The merger with *Oldham in Southern Africa* has gone extremely well, with the combined business proving stronger and more profitable than the original entities, the directors add.

The figures for the six months are on a basis consistent with previous years. Overseas results have been converted to sterling at September 30, 1976 rates of exchange. (Comparative profit before tax benefit £903,000, profit after tax benefit £351,000.)

For the year ending March 31, 1977 it is intended to adopt the Statement of Standard Accounting Practices (SSAP9) which includes "production fixed expenses" in the cost of inventories. Adoption of SSAP9 at the half year would have increased the operating profit by £624,000.

The U.K. tax charge benefits from capital allowances on increased U.K. capital expenditure.

See Lex

Boots up to £37.7m. in first six months

SALES, LESS VAT, at the Boots Company improved by 21.3 per cent. to £332.68m. and pre-tax profit was up by 22.6 per cent. to £37.68m. for the half year to September 30, 1976.

And in the absence of further Government measures substantially to reduce consumer spending, the directors hope that this progress can continue into the second half.

The net interim dividend is raised from 0.8859p to 0.9745p, absorbing £3.47m. Last year's total was 2.4387p and profits £81m.

U.K. retail sales increased by 18.5 per cent. and the average price level was up by about 12.5 per cent., indicating real growth of more than 5 per cent. World-wide non-retail sales increased by 36 per cent.—while this was inflated by the fall in the value of sterling, there was substantial real growth.

In the year to March 31, 1976, an additional contribution to the Boots Pension Fund of £8.83m. was charged before arriving at profit, and one half of this sum was set aside in the first six months to September 30, 1975. An amount of £4.42m. has again been charged against profits for the six months to September 30, 1976, and the directors say they will review the position at the end of the current year.

	Half year 1976	1975
	£000	£000
Sales†	332,681	274,268
Profit before tax	37,678	30,723
Taxation	19,773	15,405
Net profit	17,905	15,318
Minorities	203	200

† Excludes VAT £17.7m. (£15.76m.)

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's time-table.

TO-DAY

Interims:—Minster Assets, Polymark.
Finals:—Barlow Rand, David Charles, Imry Property, Lucas, Wolseley-Hughes.

FUTURE DATES

Interims:—

Dartmouth Investments	Nov. 17
Dykes (J.)	Nov. 25
French Kier	Nov. 25
BAT Group	Nov. 16
Lindustries	Dec. 15
London Prudential Inv. Trust	Nov. 17
Tesco	Nov. 24
Triplex Foundries	Nov. 25
View Forth Inv. Trust	Nov. 18
Wight Construction	Nov. 17

Finals:—

Avon Rubber	Dec. 1
Barths Transport	Nov. 17
Carr (John) (Doncaster)	Nov. 18
Jenks (A. E.) and Cattell	Nov. 18
Peak Investments	Nov. 18
Stockholders Inv. Trust	Nov. 16

An unchanged interim dividend of 1.68p net per £1 share is declared. Last year's total was 7.007p.

Leopold Joseph

Post tax profits of Leopold Joseph Holdings before any allocation to inner reserves for the half year ended September 3, 1976, were substantially the same as for the corresponding period in the previous year, assuming an unchanged rate of corporation tax, the directors state.

Lower profits in money market operations, in consequence of the substantial rise in MLR, were offset by improved profits in other sections.

The main subsidiary, Leopold Joseph and Sons (the merchant bank), continued to maintain a very liquid position in the present uncertain situation.

R. Green Properties progress

PRE-TAX PROFIT of R. Green Properties for the year ended June 30, 1976 improved to £210,504 against £158,117.

Earnings are stated at 0.31p per 10p share against 0.49p, and the unchanged final dividend of 0.83636p net gives a same-again total of 1.33636p. Mr. and Mrs. Elphick have waived their dividends.

In his annual statement, chairman Mr. A. H. Bowerman tells members he will be disappointed if the current year's results are not at least equal to last year's. He adds that despite the continuing difficulties of the general situation, the company's overall position remains sound. Overdrafts were reduced from £4.5m. to £2.6m. during the period.

The value of development land has been written down to £1.87m. The auditors say that they are unable to satisfy themselves that this is the currently realisable value of the land.

Pearl Assurance Company and its pension fund hold 11.65 per cent. of the shares.

Meeting, Brighton, December 6 at 5.30 p.m.

Advance at A.A. Asphalt

PRE-TAX PROFIT of Anglo American Asphalt for the six months to September 30, 1976, was well ahead of last year's £335,000 at £506,000, on turnover down from £3.64m. to £2.55m. A better year was forecast at the time of the annual meeting.

Interim dividend is 0.97p net per 25p share, against 0.29p adjusted for last July's scrip issue. Total last year was 2.17p adjusted, from record profits of £901,000.

The profit at half way was struck after share of associates' profit £87,000 (£56,000) and interest nil (£38,000).

Tax charge was £263,000 (£170,000), and profit attributable to Ordinary shareholders £240,000 (£162,000).

The directors state that turnover for the period is not comparable with the same period last year, which included £784,000 in respect of activities since disposed of.

Trading continues very satisfactorily. The group's cash position continues to be strengthened and interest charges have now been eliminated.

Assam Frontier Tea

Profits of Assam Frontier Tea were down from £113m. to £935,625 in 1975 before tax of £720,000 against £848,858. Turnover was £4.96m. compared with £4.6m.

Earnings per £1 share are 22.91p (30.36p). The dividend is 7.865p net against 7.15p previously.

The directors say discussions are continuing which may lead to an offer for the company. The ultimate holding company is Sime Darby Holdings.

V. H. Smith up £0.5m. so far

S up from £159.73m. to m, and higher pre-tax of £3.23m. against £2.69m. ported by W. H. Smith and (Holdings) for the eight s ended October 2, 1976.

nings per share are 8.8p and the net interim divi- is lifted from 2.81p to 3.09p. otal in 1975-76 was 8.868p pre-tax profits of £9.95m.

profit includes associates £210,000 (£269,000) and 0 (£138,000) profit on sale perties and is after charging ill purchased, £162,000 0) and special pension fund butions, £567,000 (£477,000). r tax of £1.8m. (£1.53m.) ,000 (£6,000) minorities, net itable profit is £1.41m. t £1.14m.

directors say it is too early, larly in the current nic climate, to assess and ant on the volume of consumer spending in the very important Christmas trading period.

As announced, the chairman, Mr. C. H. W. Troughton, will be retiring on January 31 next year, having reached retirement age. Mr. P. W. Bennett, deputy chairman since 1974, will be his successor.

● comment

W. H. Smith's interim figures, showing a pre-tax rise of a fifth, live up to expectations and are in sharp contrast to the disappointing results from Menzies a couple of weeks back. Smith's retailing operation obviously suffered because of the hot summer, but volume was held steady within a sales rise of 22.1 per cent. Meanwhile wholesaling put up a solid enough performance with volume dipping slightly, reflecting falling newspaper sales. Overseas, Canada increased its profits as shops there worked towards full potential, but in the Netherlands the position is less exciting, though it is still early days. The all important second half should continue the interim trends—assuming that a Government package does not divert consumer spending—and full year profits should be around £13½m. to £14m. pre-tax. At 272p the prospective p/e is no more than 7, and backed by a sound balance sheet (last January there was net cash of £4.66m.) the shares should show some relative strength, although the prospective yield of 5.4 per cent. (covered 4 times) is a little on the low side.

Demand boost for Porter Chadburn

Largely due to the continuing buoyant demand of products for the brewing industry, pre-tax profit of Porter Chadburn rose sharply from £0.23m. to £0.41m. for the 26 weeks ended July 1, 1976.

And the directors estimate that second-half profit will be somewhat greater than the first, which will raise the year-end result substantially above last year's record £0.69m.

The net interim dividend is up from 0.975p to 1.3p, taking £42,048 (£31,535). The maximum permitted total is forecast, against 4.29p.

The production of metered dispense equipment has been at a high level, but the most marked upsurge has been in the field of cellar cooling and line coolers which has every prospect of being maintained.

Product divisions associated with the low level of investment in U.K. manufacturing industry and with shipbuilding have fared less well but they are earning profits which may be considered satisfactory under the circumstances.

	26 weeks 1976	1975
	£	£
Turnover	4,941,000	4,190,000
Profit before tax	407,609	227,200
Taxation	211,950	119,100
Net profit	195,659	108,100

Muar River pays more

Reflecting a reduced surplus on sale of investments of £143,188, against £620,772, pre-tax available profit of The Muar River Rubber Co. contracted from £1,131,875 to £658,796 in the year to March 31, 1976.

The dividend is lifted from 1.41p to 1.55p net per 10p share.

	1975-76	1974-75
	£	£
Profit rubber	238,591	291,619
Dividends & interest	286,781	244,582
Replanting expenditure	104,775	[illegible]
Balance	320,597	339,187
Surplus land sales	20,332	16,215
Surplus, sales invests.	143,188	620,772
Tax adjustment	74,679	166,704
Available profit	658,796	1,131,875
Taxation	288,204	209,984
Dividend	107,522	122,286
Forward	262,070	799,600

TELEFUSION

LIMITED

Promising start to the current year

Salient points from Mr. John Wilkinson's address to shareholders at the company's thirty-second Annual General Meeting were:

- Despite difficult trading conditions and the exceptional rate of cost inflation a determined effort has been made in maintaining profitability and this enables your Directors to recommend the maximum dividend permitted.
- Net Capital employed has risen to £16.4m. Our improved financial position and broader based marketing strategy through Trident Discount Centres will give the Group the ability to increase its share of the market.
- Our customers have readily accepted the recent modest increase in colour television rentals and indeed many have expressed appreciation that with inflation at present levels an increase of only 6% was being applied. I am sure shareholders will be pleased to know that our customers appreciate the value of the service they receive in spite of unwarranted Government interference.
- Although it is too early to forecast results for the current year, turnover to date is significantly up on the corresponding period of last year and subject to no interference or unforeseen circumstances we expect increased profits for 1976/77.

RESULTS IN BRIEF

Year ended 1st May 1976	
Turnover	£44,037,000
Profit before tax	£1,127,000
Dividends	£493,000
Times covered	1.12
Earnings per 5p share	1.15p

Copies of the Report and Accounts are available from the Secretary.

PRESTON NEW ROAD · BLACKPOOL · FY4 4QY.

Currency swings reverse R. Dutch Shell gain

THIRD-QUARTER net income divisible between Royal Dutch Petroleum Company and "Shell" Transport and Trading Company under 60:40 arrangements decreased from a restated £319m. to £185m., giving a nine months' total up from £697m. restated to £772m.

Revenues for the three months expanded from £3,779m. to £5,206m., raising the nine months' figure to £14,752m. (£10,809m.).

The decline of sterling at the end of the quarter, coupled with application of the present U.S. accounting standard on translation of foreign currencies (FAS 8), resulted in major distortions of third-quarter results, turning a real improvement in operating results into a decline in net income, the directors state.

Compliance by the group with this standard, which is a consequence of the listing of its parent's shares in the U.S., constitutes a major obstacle to understanding. This is especially so when, as in September, sterling falls towards the end of a quarter. Under FAS 8 the penalty on long-term debt has to be taken up in that quarter whereas offsetting gains on translation of stocks are largely postponed until the next quarter. It is hoped that this U.S. accounting standard will be amended in the light of experience and of widespread dissatisfaction, the directors add.

Divisible net income before translation differences were £363m. (£258m.) for the quarter making £1,046m. (£750m. for nine months) plus translation gain on stocks sold during the quarter £45m. (£47m.) and £249m. (£142m.), less translation loss on net monetary assets—mainly long-term debt £223m. (£14m. gain) and loss £523m. (£195m.).

The fall in quarterly divisible net income of 42 per cent. between 1975 and 1976 is therefore wholly a result of the unfavourable swing of £239m. in currency translation effects. Excluding these, net income for the 1976 quarter, at £363m., represents an increase of 40 per cent. over the corresponding quarter of 1975.

While this reflects a significant improvement in performance by most sectors of the business there was also a considerable contribution from the expression of non-sterling operating income in depreciated sterling.

Shell Oil Company in the U.S. reported earnings for the quarter up some 24 per cent. in dollar terms on the previous year with a further uplift in sterling terms. There were improvements in both oil and natural gas and in the chemicals business.

Outside North America, oil and natural gas earnings improved in most markets. On a comparable basis, oil products sales volumes were 6 per cent. above, and natural gas volumes 13 per cent. above, those for the third quarter of 1975. In refining, utilisation of primary distilling capacity at 74 per cent. was up on earlier periods.

The contribution to earnings for the quarter from chemicals was also well up on the third quarter of 1975, reflecting higher sales volumes and prices. This continues the trend of significantly improved 1976 performance.

	Third quarter 1976 £m.	Third quarter *1975 £m.	Nine months 1976 £m.	Nine months *1975 £m.
Revenues:—				
Sales proceeds	6,315	4,360	17,881	12,921
Sales taxes, excise duties, etc.	1,293	976	3,494	2,658
Other revenues	135	99	357	307
Share assoc. loss	12	†31	†73	†101
Interest income	61	43	163	139
Total revenues	5,206	3,779	14,752	10,809
Purchases and operating expenses	3,434	2,316	9,444	6,291
Selling, gen. and admin. expenses	635	413	1,553	1,282
Exploration research and devel.	119	100	339	276
Depreciation, depletion, etc.	125	119	375	353
Interest expense	63	56	176	141
Taxation on income (excluding U.K. ACT)	582	329	1,749	1,084
Minority interests	45	38	114	85
Net income divisible	185	319	772	697
Financial data:—				
Capital expenditure	480	323	1,307	866
Increase invest. assoc. cos.	29	33	96	81
Increase in net current assets	69	123	516	631
Operational data:—	Thousand barrels daily			
Crude oil supply	4,930	4,802	4,843	4,785
Crude oil processed	4,271	4,347	4,152	4,318
Sales oil products	4,311	4,309	4,342	4,323
Crude oil sales	533	528	536	556

* Restated. † Profit.

See Lex

EMI looks overseas

AFTER A successful year, particularly in its overseas companies and its export performance from the U.K., the directors of EMI, the international electronics, leisure and medical technology group, hope for further progress in the current 12 months, chairman Sir John Read says in his annual review.

Likely reductions in consumer spending in the U.K. will clearly affect the results of the group's varied music and leisure interests at home, while similarly weaker demand may limit the results of some of its U.K. electronic interests.

In contrast, EMI's export opportunities continue to be favourable, and the overseas companies are likely to contribute more to overall group results, he adds.

As reported on October 8, group pre-tax profit expanded from £34.08m. to £59.33m. for the year to June 30, 1976. Dividend total was lifted from 6.232p to 6.855p net per 50p share.

Group sales, profits and earnings per share all attained record levels, Sir John tells members now.

The contribution to profits from outside the U.K. rose from 62 per cent. to 66 per cent. of the total.

All areas of EMI's business activities achieved further progress. Profits improved in the U.K. despite market restraints, and in mainland Europe, North America and overseas generally, major gains were achieved.

Some of this improvement can be attributed to inflation, but the directors' report states that in current purchasing power terms the erosion of trading profit fell from 39 per cent. to 24 per cent. The group is likely to fare better than many when a recognised method of inflation accounting is ultimately adopted in the U.K., Sir John adds.

The total value of exports rose by 55 per cent. from £56m. to £87m., Sir John says.

The group's worldwide marketing of electronics products—notably medical equipment—contributed significantly to the further progress of its international business, Sir John adds.

The medical electronics business, with twin bases in the U.K. and North America, continued to expand rapidly worldwide. A strong international position has been established for the EMI-scanner systems, and though the group is well aware of the developing competition its research programme is being fully sustained to ensure continued leadership in this important new field of technology.

The group's position has been reinforced in many markets by increased production facilities and distributive power. In France, the subsidiary Pathe Marconi EMI has this year acquired control of the Sonopresse Music and Recording group covering about 15 per cent. of the pop record market.

The new EMI Centre in London's Tottenham Court Road has now been given the final go-ahead after more than five years of negotiations. To cost about £25m. at current rates, it will be completed late in 1980.

The development will include offices, recording studios, preview cinemas, a triple public cinema, shops and public houses and the existing Open Space Theatre will be rehoused on the site.

An analysis of sales shows (£000): music, including records, tape, publishing and instruments 344,734 (258,343); leisure, including film production, exhibition, live theatre, bingo, hotels and restaurants and squash 81,428 (66,566); television 38,224 (29,107); electronics, radio and television equipment 207,947 (149,050).

A similar analysis of profit (£000) shows: music 27,251 (19,762); leisure 5,619 (5,878); tronics 26,439 (14,608).

Liquid funds increased by £9.86m. (£0.87m.) gross, or £5.32m. (decrease £0.27m.) net. Bank borrowings increased by £1.61m. (decrease £12m.).

An International Group in many fields of textiles

COATS PATONS

LIMITED

Interim Announcement

Unaudited results for January/June 1976 and the comparative figures for 1975 are as follows:—

	Jan./June 1976 £000s	Jan./June 1975 £000s	Year 1975 £000s
Turnover	299,821	226,567	487,096
Trading profit before charging depreciation	38,712	26,027	55,085
Less: Depreciation	5,576	5,340	10,153
Trading profit	33,136	20,687	44,932
Interest and other charges	2,614	4,773	8,529
	30,522	15,914	36,403
Profits (losses) of associated companies	916	226	(51)
Investment and other income	505	29	644
Profit before taxation	31,943	16,169	36,996
Taxation	13,770	7,825	15,734
	18,173	8,344	21,262
Investment grants	177	195	402
Profit after taxation	18,350	8,539	21,664
Interest of minority shareholders	2,626	1,163	2,462
Profit before extraordinary items	15,724	7,376	19,202
Extraordinary gains (losses)	(372)	—	522
	15,352	7,376	19,724
Preference dividends	24	22	48
Profit earned for ordinary shareholders	15,328	7,354	19,676
Ordinary dividends	2,874	2,613	7,336
Profit retained	12,454	4,741	12,340
Earnings per ordinary share of 25p	5.7p	2.7p	6.9p

Rates of exchange used are those estimated to be effective at 31st December, 1976.

On a global basis thread sales during January/June, 1976 were up by 13% in volume over the same period last year, despite a fall of 5% in the U.K. World thread volume, however, is still running 10% below July/December, 1973, our peak sales period.

U.K. sales of industrial yarns improved, while fabric sales worsened considerably. Overall activity in Knitwear and other garments was down on last year although Jaeger achieved substantial increases in turnover at home and abroad.

Sales increased by £73,254,000, or 32%, of which £26,392,000, or 12%, is due to exchange difference, increased volume and prices producing additional sales of £46,862,000, or 20%. Trading profit rose by £12,449,000, or 60%, of which £3,793,000, or 18% was due to the weakness of Sterling. Improved volume and prices increased profits by £8,656,000, or 42%. Particularly encouraging is the increase in margins to 11%, reversing the downturn of the last two years. The interest charge fell substantially, owing to the considerable amount of de-stocking which took place in 1975.

Profits of associated companies showed a significant improvement in line with the better conditions prevailing abroad.

An overall tax rate of 43% has been used, which is based on our tax estimate for the year. No provision is required in respect of Advance Corporation Tax not immediately recoverable.

Profit earned for Ordinary shareholders is more than doubled at £15,328,000.

Trading profits for the full year are estimated to benefit by £5,000,000 from exchange movements. With the exception of the U.K., improved trading conditions continue, enabling us to sell more goods at improved margins. Consequently, the first half-year's results should at least be repeated in the period July/December, 1976.

An interim dividend of 1.0388p per share (1975+10%) will be paid on 31st December, 1976 to the Ordinary shareholders on the register on 12th November, 1976.

RMP

Rand Mines Properties Limited

(Incorporated in the Republic of South Africa)

CONSOLIDATED PROFIT AND DIVIDEND

Consolidated Profit

The audited consolidated results of the group for the year ended 30 September 197[illegible] with the 1975 comparative figures were as follows:

	1976	1975
Turnover	R27 744 000	R33 309 00[illegible]
Profit before taxation	5 091 000	4 943 00[illegible]
Less: Taxation	968 000	1 108 00[illegible]
Profit after taxation	4 123 000	3 835 00[illegible]
Less: Net profit attributable to outside shareholders in subsidiary companies	102 000	278 00[illegible]
Profit after taxation attributable to shareholders of the company	4 021 000	3 557 00[illegible]
Surplus on sale of fixed assets	327 000	23 00[illegible]
Less: Transferred to reserve	327 000	23 00[illegible]
Less:	1 651 000	1 498 00[illegible]
Cost of control of shares in Subsidiary company	38 000	—
Dividend No. 9 of 14.0 cents per share (1975: 13 cents per share)	1 613 000	1 498 00[illegible]
Retained surplus for the year	R2 370 000	R2 059 00[illegible]
Number of shares issued	11 521 715	11 521 71[illegible]
Earnings per share based on profit after taxation attributable to shareholders of the company	34.9 cents	30.9 cent[illegible]

Dividend declaration

Notice is hereby given that dividend No. 9 of 14.0 cents per share has been declare[d] payable to shareholders registered in the share register of the company at the clos[e] of business on 26 November 1976.

The transfer books and registers of members of the company in Johannesbu[rg] and the United Kingdom will be closed from 27 November to 5 December 1976 bo[th] days inclusive. Dividend warrants will be posted on or about 14 January 1977, to share[-]holders at their registered addresses or in accordance with their written instructio[ns] received up to and including 26 November 1976.

The dividend is declared in the currency of the Republic of South Africa and th[e] rate of exchange at which the dividend will be converted into United Kingdom currenc[y] for payment of the dividend from the office of the United Kingdom transfer secretarie[s] will be the telegraphic transfer rate of exchange between Johannesburg and Londo[n] ruling on the first business day after 31 December 1976.

In terms of the South African Income Tax Act, 1962, as amended, non-resider[nt] shareholders tax of 15 per cent. has been imposed on dividends payable to:

(a) Persons other than companies, not ordinarily resident nor carrying on busines[s] in South Africa, and

(b) Companies which are not South African companies and are not carrying on busines[s] in the Republic,

and the company will accordingly deduct the tax from dividends payable to shareholder[s] whose addresses in the share register are outside South Africa.

By order of the Boar[d]
C. G. STEY[N]
Secretar[y]

Registered Office:
Off Main Reef Road,
Crown Mines,
Johannesburg 2093
(Postal—P.O. Box 27,
Crown Mines 2025)

Transfer Secretaries
Rand Registrars Limited
2nd Floor, Devonshire House
49, Jorissen Street
Braamfontein 200[1]
(Postal—P.O. Box 31719 Braamfontein, 2017.

United Kingdom Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent
TN24 8EQ
12th November, 1976

This announcement appears as a matter of record only. October 1976.

Atlas Consolidated Mining and Development Corporation

The Republic of the Philippines

$80,000,000 Seven Year Financing

Managed by

Bank of America NT&SA
Wardley Limited

and Provided by

Bank of America—New York
Bank of Montreal
BNS International (Hong Kong) Ltd.
Chase Asia Ltd.
Chemical Bank
Citibank, N.A.
Crédit Suisse
Orion Pacific Ltd.
Wardley (Vila) Ltd.

Agent

BANK OF AMERICA

Smiths Industries up £3.63m. at £16.17m.

UNQUANTIFIED increased t forecast by Smiths Indus- turns out to be from £12.34m. 16.17m. for the year to July 1976, after £7.38m., against m., for the first half. External over for the year expanded £157.5m. to £180.85m.

rnings per 50p share were (17.5p) and the dividend is from 5.8985p to 6.4883p net a final of 3.7732p.

e profit is struck after a zed interest charge of 5,000 (£2,594,000) reflecting July 1975 rights issue and a urable cash flow. The return unds improved from 18.2 to per cent.

ere was a low demand in the for consumer durables and capital equipment which ally affected performance in esses related to these areas. was offset by improved ts in the vehicle equipment aerospace sectors and by r profits from overseas com- s.

nover overseas exceeded 30 cent. of total turnover ex- ng distribution activities ically related to the U.K. acquisition of George Mac- Holdings in February approximately £0.4m. to ig profits in the second half.

	1975-76 £000	1974-75 £000
upplied		
dustries:—		
manufacture	37,300	22,908
ace	32,100	26,050
	13,500	12,900
industries	24,630	22,500
h dist. trades	55,800	52,930
.K.	153,558	137,388
is subs.	32,590	24,800
internal sales	4,900	4,700
al sales	180,858	157,588
upplied		
dustries:—		
profit	1,715	611
ice	4,030	3,230
	1,152	1,751
industries	2,622	2,436
dist. trades	3,380	6,182
.K. profit	15,228	13,610
is subs.	2,168	1,527
ading profit*	17,496	15,137
	1,328	2,594
before tax	16,168	12,543
	8,330	6,442
interests	32	44
d. credits	424	—
	8,230	6,087
ds	3,030	2,361

* depreciation £2,067,000 (£1,910,000).

mment

s Industries' growth at the g level is virtually the same t year, with trading profits rnover up by around 15 per But at the pre-tax level the of the interest charge ing the 1975 rights issue a growth in profits of 29 nt. against 11 per cent. in . The low level of U.K. ner durable spending has its toll on the distributive where the profit contribu- down from over 40 per f the total to under a third, with profits falling by 30 per cent. between the first and second halves. Against this, vehicle manufacture has benefited from the more stable conditions in the motor industry and trading profits are almost trebled. The aero- space side is making steady pro- gress, but until the large contracts come on stream later in the decade its growth is likely to remain unspectacular. Against a background of dull U.K. demand and buoyant overseas markets, the group looks set for pre-tax profits of £18m.-£19m. in 1976-77. The shares which yield 9.3 per cent. at 107p look roughly in line with the market.

J. Beales recovery at midway

A PRE-TAX profit of £536,000 is announced by John Beales Asso- ciated Companies for the 26 weeks to September 19, 1976, compared with a loss of £27,000 in the first 27 weeks of the previous year.

The interim dividend is 1p net (nil)—last year's final was 2p, paid from profits of £0.32m.

The company makes underwear and outerwear.

	26 weeks 1976 £000	27 weeks 1975 £000
Sales	6,605	5,319
Surplus on plant sale	32	—
Interest	73	121
Depreciation	104	98
Pre-tax profit	536	27†
Tax	279	—
Extraord. loss	31	—

† Loss.

Garford-Lilley ready for upturn

The predicted increase in general industrial activity has not yet been seen, says the chairman of Garford-Lilley Industries Mr. Trevor Williams in his annual review.

Co-operation in an overseas market will, however, mean worthwhile business for the com- pany's engineering division for the next three years. With recent extensions the plastics division is ready to exploit any growth in demand and drastic re-organisa- tion of the loss making wood- working division could mean a break-even situation this year.

Pre-tax profits for the year ended March 31, 1976, were up at £277,588 (£252,561) on record turnover of £3.54m. (£2.95m.).

Net liquid funds for the year decreased by £211,000 compared with a rise of £71,000 for 1975.

Meeting, Great Northern Hotel, King's Cross, December 3, 2.45 p.m.

Tricoville lifts total to 1.459p

Profit before tax of fashionwear designers, Tricoville improved by 28.7 per cent. to a record £0.46m. in the year to July 19, 1976. Orders in hand are satisfactory and chairman, Mr. D. A. Jacobs expects continued growth in profits.

Because of the company's close status the final dividend is being raised to 0.834p net for a total of 1.459p, against 1.167p; stated earnings are up from 5.86p to 8.16p.

When reporting first-half profits up from £166,000 to £206,000, the chairman was confident of a further real increase in earnings for the year.

	1975-76 £	1974-75 £
Turnover	6,993,017	4,256,432
Profit before tax	412,436	373,983
Taxation	212,579	198,811
Net profit	249,557	175,592
Minorities	5,160	—
Credit extraord*	8,001	—
Attributable	252,692	175,593
Interim div.	18,750	15,000
Final	25,020	20,010

* Surplus arising on realignment of currencies.

Mercury Securities

The directors of Mercury Securities announce that the group's profits for the first six months of the current year end- ing March 31, 1977, are higher than those for the corresponding period of the previous year.

ROCHDALE AND MANOR BREWERY

Holders of £120,000 4½pc first mortgage Debenture stock of Rochdale and Manor Brewery have passed the resolution to re- deem the stock at £62 per £100 nominal.

Cheques for principal monies and for interest (less tax) will be despatched by the company at stockholders' risk on November 30.

Pritchard Services well ahead

ON SALES up from £18.5m. to £20.5m., pre-tax profit of Pritchard Services Group advanced by 26.5 per cent. to £773,000 in the six months to June 27, 1976.

And chairman Mr. P. R. Pritchard anticipates that profits for the full year will show a further improvement on 1975's record £1.45m. and the group expects to be able to recommend the maximum allowable increase in dividend.

The net interim dividend is maintained at 0.4375p a share— last year's total was 1.2093p.

Both U.K. and overseas activi- ties contributed to the profits in- crease and to an improvement in profit margins.

"At home the improvement de- rives largely from the benefits obtained in restructuring our building cleaning services division and also from continued expansion of the group's linen rental services," Mr. Pritchard states.

Additionally, most of the group's overseas companies continue to enjoy encouraging growth.

But further retroactive legis- lation has prevented the asso- ciate in Portugal making a profit and unless the present political climate eases the directors will have to consider the value of this investment.

"The present profit base of most of our operating companies in- dicates a continuing improvement in 1977. Furthermore, set-up costs of the U.K. security services will be complete by the end of this year."

	Half year 1976 £000	1975 £000
Turnover	20,530	15,500
Interest	300	250
Pre-tax profit	773	612
Tax and minorities	415	343
Extraord. debit	130	107
From reserves	120	101
Available	339	262

● comment

Pritchard Services has lifted its interim profits by 26 per cent. pre-tax on an 11 per cent. rise in sales. The group has appar- ently experienced a general im- provement in profits but the margin increase appears to stem mainly from the restructuring of the building maintenance divi- sion (70 per cent. of profits) which took place last year. Bene- fits from this are evidently still coming through to the group and with the security services and linen hire operations continuing to make rapid headway Pritchard should be capable of an annual pre-tax rise of around 20 per cent. However, with borrowings of around £3.72m. compared to a net worth of £1¾m., the gearing is high and with around £1m. of debt repayable in foreign cur- rencies the group must be feel- ing the sting of the current sterling devaluation. All the same, the shares at 15½p are yielding a maximum yield of 13.3 per cent. which should be covered 3 times by prospective earnings.

Pork Farms midway expansion

VER for the half year to 28, 1976 of Pork Farms ed by 31 per cent. to n., and pretax profit ed from £473,800 to 0.

chairman, Mr. D. Sam- reports that the second as begun well, with sales g at record levels, and he fident that results for the will be satisfactory. Last profit was £1,077,000 from over of £21.73m.

nchanged interim dividend, 4p net per 10p share is d and it is intended to pay maximum permitted final last year). Earnings per share for the half year were 12.3p (8.5p).

	Half year 1976 £000	1975 £000	Year 1975-76 £000
Turnover	13,457	10,276	21,729
Trading profit	1,030	620	1,351
Interest payable	123	147	274
Profit before tax	907	473	1,077
Taxation	472	246	580
Net profit	435	227	497
Extraordinary	—	—	[illegible]
Minorities	18	[illegible]	[illegible]
Available	417	218	387

● comment

Pork Farms' turnover increase of just under a third reflects volume rises of around 15 per cent., des- pite the hot summer that affected overall consumption of foods. As a result of this and price rises, margins rose by 2.1 per cent. to 6.7 per cent., aided a steadier trend in pork prices. The impact was a near-doubling of interim profits, which also benefited from lower interest charges. With de- mand continuing, second-half profits depend on the trend in pork prices and there has recently been some hardening here. But the group looks capable of reaching the £2m. this year for a prospec- tive p/e of 4.5 at 128p where the maximum yield is 10.3 per cent. This could be a conservative rat- ing given that there should be some boost from a devaluation of the "Green" Pound.

Common Bros. off £0.41m.

DESPITE A setback in February, due to the collapse of a charterer, Common Brothers reports pre-tax profits of £1,111,000 for the year to end June 1976, against £1,517,000.

The withdrawal from charter in February due to non-payment of hire in respect of three product tankers, and the later subsequent withdrawal from an associate of the charterer of two newsprint carriers by negotiation, led to a substantial drop in operational results though the effect of the drop was less severe than antici- pated, says the chairman, Sir Rupert Speir.

Sir Rupert says that the cash flow problems created by the en- forced termination of the sterling charters had been severe. How- ever, financial arrangements had been made to bridge these prob- lems. Two vessels had been re- deployed and with one exception, all five vessels are now operating on dollar charters.

Other group tonnage is contri- buting improved dollar earnings.

The group is maintaining every effort to improve liquidity and to consolidate this in 1977.

The final dividend is 3.2026p net per 50p share for a 5.2026p total (4.7297p). Earnings per share are 30.299p (30.764p).

	1975-76 £000's	1974-75 £000's
Trading profit	518	882
Share of assoc.	2	92
Net interest†	331	249
Surplus on ships sale	1,857	594
Costs and provisions‡	587	—
Release payment*	308	—
Other charges	5	§151
Pre-delivery interest††	262	174
Profit before tax	1,111	1,517
Taxation	199	591
Net profit	912	926
Extraord. debits	145	380
Dividends	156	142
To reserves	611	454

† Excluding pre-delivery interest. ‡ In- cludes losses from failure of Newfound- land Refining Co. * To secure release from long-term obligations. § Credit. †† On ships under construction.

The disposal of two vessels dur- ing the year and also the share- holding of 25 per cent. in Low- land Tanker Company provided a substantial surplus of £1.4m. over the written down values of the assets concerned.

A new joint venture company Bowring Common (Chartering) has been formed in which Bow- ring Steamship Company and the Group have equal stakes.

The market value of the fleet is estimated at $60m. or £37m. and after allowing for tax this represents a surplus of about £10m. over book values.

Highgate Optical steady

Turnover of Highgate Optical and Industrial Company for the half-year to June 30 1976, fell from £2.26m. to £2.02m., and pre- tax profit was little changed at £152,467, compared with £169,784.

Earnings are stated at 3.650p, against 3.96p, per 10p share, and the interim dividend is stepped up from 0.51p to 0.561p net per share. Total last year was 2.04p from record profits of £283,293.

The directors state that, given some stabilisation in the value of the pound, they expect that profits for the full year will be in line with last year's record.

The company became a mem- ber of the Bayfine Group in January.

MINING NEWS

Australia lifts uranium ban

BY KENNETH MARSTON, MINING EDITOR

A FURTHER cautious step has been taken towards the long-awaited development of a major uranium mining industry in Australia by a Government still worried about environmental objections at home and fearful of how the nuclear material will be used by buyers overseas.

A selective lifting of the 1972 embargo on uranium exports—but not on new mining operations—is announced by Mr. Kevin Newman, the federal Environment, Housing and Community Development Minister. Export permits are to be issued to the country's only producing uranium mine, the Rio Tinto-Zinc group's Mary Kathleen.

So far the mine has had to borrow uranium oxide from the U.K. in order to meet its sales commitments and Mr. Kevin points out that no further U.K. supplies will be available after the current shipment. No comment on the export permission has come from the Australian trades unions who have banned the transport of MKU uranium for export.

Mr Newman also said that exports are to be arranged from the Australian Government's stockpile—believed to contain 2,200 tonnes—to meet the obligations of the Ranger deposit of Peko-Wallsend and EZ Industries and the Nabarlek find of Queensland Mines. No mention is made of Pancontinental's Jabiluka discoveries.

However, Mr. Newman made it clear that permission to start mining operations at these and other properties must still await the findings of the second report of the Fox environmental inquiry into the effects of mining the Peko-EZ Ranger deposit.

Meanwhile, Western Mining has already started an environmental study at its Yeelirrie deposit in Western Australia. In London yesterday share prices of the Australian uranium issues moved ahead: Pancontinental advanced 75p to 800p and Peko-Wallsend gained 55p to 415p with EZ Industries 10p up at 315p and the exploration-hopeful Ocean Resources rising 4p to 35p.

BOLIDEN'S STAKE IN GREAT LAKES

The Swedish group, Boliden Aktiebolag, has built up a stake of 20 per cent. in the Toronto company, Great Lakes Nickel, through the purchase of 730,000 shares from an investment company. Boliden also holds an option to buy 1m. more shares and has the right to vote a further 225,000.

Great Lakes has a copper-nickel property in the Thunder Bay district of north west Ontario. Under a joint venture agreement exploration and preliminary development has been carried out at the property by Boliden, which had spent $3.6m (£2.5m.) by the time the project was suspended in October, 1974. Boliden does, however, have the right to start work on the property again.

BLUE SPEC MINE OPERATING WELL

Nearly five months after the start of commercial production at the small Blue Spec gold-antimony mine in Western Australia, owned by Australian Anglo American, Metramar Minerals and Australian Consolidated Minerals, output is settling into the designed levels and the quality of gold bullion and antimony concentrates is very high.

This progress report is contained in the annual statement of the Metramar chairman, Mr. Tony Motion. He discloses that the capital cost of the Blue Spec project was $6.60m. (£3.05m.). Metramar's share of surpluses is 11 per cent. until the capital costs have been met and 16 per cent. thereafter.

The Metramar Board's confidence in a rise of the bullion price has not been misplaced in recent weeks, despite yesterday's fall when it closed at $134 an ounce. But Mr. Motion reveals that Blue Spec is receiving more for its antimony than it expected.

"World prices for antimony ore and concentrates have been increasing steadily since the decision to mine was taken and are approximately twice the level used as a basis in the feasibility studies," he states.

The longer-term future depends on finding ore reserves to extend the life of the mine, which is put at only 28 months on present rates of extraction. A new programme of ore reserve proving by underground diamond drilling starts this month.

In the year to the end of last June, Metramar made a net loss of $144,368 and carried forward accumulated losses of $2.9m. (£2.2m.). Metramar were 24p yesterday, a high for the year.

ROUND-UP

The South African copper producer, O'okiep, which is controlled by the American groups, Newmont with 37.5 per cent. and Amax with 17.3 per cent., will be paying no further dividends this year. In the first nine months of this year net profits were $3.86m. (£2.36m.) or $3.79 a share against a loss of $1.57m. in the same period of 1975. Income in the third quarter this year was lower than in the second and prospects for the rest of 1976 are marginal. O'okiep has declared only one dividend since the last quarter of 1974.

* * *

The U.S. Eastern Gas and Fuel Associates, has reached a tentative agreement with Japanese customers to supply about 750,000 tons of coal a year between 1977 and 1983, with negotiations to be held every two years on price and the exact quantities to be shipped.

* * *

The private American company, Energy Fuels, has agreed to spend $1m (£612,000) on exploration and evaluation over the next three years to earn a half share in Ween Development Corporation's uranium leases in the Ambrosia Lake area of New Mexico. The 50 per cent. interest may be turned into a 25 per cent. net profits' interest.

* * *

A two to four year drilling programme at the Magnet gold mining prospect in Western Australia has been agreed between the leaseholder, Hill 50 Gold Mine, and Western Mining. The cost will be $250,000 (£188,750). Hill 50 will pay $50,000 and maintain a 27 per cent. interest. Western Mining will be the manager.

MINING BRIEFS

WHEAL JANE—October output of tin contained in concentrates 55 tonnes (September 47 tonnes). The mill operated for 29 days during October.

PETALING TIN—Tin output for October 133 tonnes (September 162 tonnes).

RAHMAN HYDRAULIC TIN—Tin output for October 43 tonnes (September 40 tonnes).

Feb. Intnl. expects same profit

First half 1976 external sales of Feb International increased from £4.23m. to £4.69m., while pre-tax profit dipped from £132,000 to £121,000.

Mr. Gordon Fisher, chairman, says the unsettled economic climate and the general low level of building activities retarded growth in the trading division and certain provisions have been made to meet doubtful debts in this division.

However, the chemical division continues to progress both at home and overseas and providing these trends continue group profits for the year should be comparable to last year's £240,000.

An unchanged interim dividend of 0.65p net per 10p share is declared. The 1975 total was 1.43p. Mr. Fisher and his wife have waived the interim on 0.8m. shares.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −
[illegible]							

[illegible]

BIDS AND DEALS

Dunford & Elliott rights details

PUBLICATION of the terms for Dunford and Elliott's £8m. rights issue has again raised the question of what attitude the institutional shareholders are taking to the £3.3m. takeover bid announced by Johnson and Firth Brown.

The issue will be in the form of 10 per cent. convertible Preference shares at par, convertible from 1978 onwards into Ordinary shares at 35p.

Dunford and Elliott's bankers have also agreed to reschedule term loan repayments making available a further £3m.

In order to match this rescheduling, the first half yearly dividend payment on the Preference shares will not be made until April 1978.

Institutional shareholders, accounting for about 40 per cent. of the Ordinary shares, have indicated their intention to take up the rights. The rest is being underwritten by a number of shareholders together with ECI and FFI.

The proposals have been accepted by the Dunford Board in preference to those made by the NEB which were on a par—at least financially. It appears that following the announcement of the JFB bid, the group of institutions, led by the Prudential Assurance, agreed to increase their terms by a substantial amount to match NEB.

Dunford and Elliott says that completion of these arrangements will provide a further £8m. to enable it to benefit fully from the increased demand for its products which is now being experienced.

A circular detailing this rights issue is promised as soon as possible containing information about Dunford's current "financial position and prospects."

Mr. Philip Ling of JFB said yesterday that the present proposals would not cause his company to alter their terms and "played straight into our hands." The absence of a Preference dividend until 1978 would seem to seal the fate of Ordinary dividend payments until at least that date compared with the 3p annual dividend offered by JFB and asset backing would be "smashed" on conversion of the new shares.

"The institutions are simply keeping their options open," he explained "and feel bound to offer other shareholders an alternative to our bid." He pointed out that simply because the institutions had put forward these proposals, it did not imply that they would vote for them.

Dunford ended 1p higher yesterday at 26p and JFB 2p higher at 48p where their bid values Dunford shares at 34p.

See Lex

HAMPTON DROPS OFFER FOR ASSAM CONSD. TEA

Hampton Trust has withdrawn its offer for Assam Consolidated Tea Estates following the failure to formulate acceptable terms.

Folowing announcement of the terms in February, the Directors of ACTE advised their holders that they would be considering the offers in consultation with financial advisers, and in the meantime, strongly urged holders to take no action. In subsequent discussions the directors of ACTE and the major Stockholders in ACTE, Yule Catto and Co., informed Hampton that an acceptable cash alternative for any Ordinary Offer was an essential prerequisite for their recommendation and their acceptance.

On July 8, Hampton informed ACTE that it would attempt to formulate an Offer which was capable of being underwritten to provide an alternative of 23.3p per Ordinary unit in cash. The Hampton Board has now informed the Board of ACTE that this has not proved to be possible.

The Directors of ACTE with the consent of the Takeover Panel, have therefore agreed that Hampton need not make teh original Offers to ACTE Stockholders as the directors of ACTE and their financial advisers regard the Ordinary offer as totally unacceptable.

Following the decision that Hampton is not to proceed with the offers, Mr. A. F. Judd, who was appointed to the Board of Hampton on October 15, has resigned as a director of Hampton.

The directors of ACTE intend to despatch to holders the report and accounts for the year ended April 30, 1976 in the near future. These will be accompanied by a report on the present situation.

RANK TAKES 80% STAKE IN GOLF CLUB MAKERS

Rank Organisation's audiovisual division has bought a controlling stake, believed to be of 80 per cent., in the Glasgow-based private concern Ryder Manufacturing, which makes golf clubs, both woods and irons.

No figure has been put on the value of the deal which is thought to be in six figures.

Ryder is to continue under its existing management, headed by Mr. John Burns, who is managing director and has hitherto been principal shareholder of the company. The other shareholders are Glasgow chartered accountant Mr Robert Scully, and Mr. Ronald Butters.

Rank Audio Visual's managing director, Mr. Gordon Provan, and its financial controller, Mr. Geoffrey Craggs, are joining the Ryder Board. From Rank's viewpoint the acquisition is seen as a further move into the leisure market, where existing interests include hi-fi and photographic equipment.

Ryder's plan is to expand overseas, with Rank's backing. The company, which was founded in 1972, has no connection with the Ryder Cup: Mr. Burns said yesterday that the name had been chosen "because it is a golf-sounding word."

FALKINER TOPS LOW & BONAR BID FOR GREGORY

By James Forth

Chain manufacturers Falkiner Holdings has topped the takeover bid by Scottish-based Low and Bonar for Sydney engineers H. F. Gregory.

Falkiner, which already holds 35 per cent. of Gregory's capital, has raised its bid by 8 cents a share to 1.13 cash. Previously Falkiner had matched the Low and Bonar offer of $A1.05 a share. The Gregory Board favours the Low and Bonar offer.

The Falkiner directors said that the busines of Gregory would be continued.

HESTAIR HAS 18½% OF SPEAR &

The mystery over who has been building up a stake in hand tools and cutlery group Spear and Jackson was solved last night with the announcement that Hestair had acquired an 18.5 per cent. holding in the company, "as an investment."

The Spear and Jackson share price slipped back from the beginning of last month to 58p by October 14 but on the 29th the price jumped 16p to 74p on the announcement that a 5 per cent. holding in the group had changed hands. Speculation that a bid was in prospect saw the shares as high as 88p in front of the news and last night the price closed 5p higher at 88p.

Spear and Jackson responded with a statement last night to the effect that the Hestair announcement had been noted and that shareholders should take no action. The group is consulting its financial advisers, merchant bankers Robert Fleming.

BARROW HEPBURN

In connection with the acquisition of Kaye and Roe in December, 1973, Barrow Hepburn Group has satisfied the final instalment of £10,000 by the issue of 30,420 Ordinary shares.

ASSOCIATES DEALS

Cazenove and Co. on November 10 sold 2,500 Mendip Investment at 66p for the account of an associate of Mendip. Also a partner of Cazenove sold 4,166 Mendip at 62½p.

Stock and Co. sold 10,000 Mendip at 66p on behalf of associates.

Record £1.03m. by Moss Engrg.

ALTHOUGH a number of plants at the Moss Engineering Group were still badly under-utilised, external sales increased from £8.77m. to £9.66m. and profit, before tax, advanced from £791,828 to £1,025,856, both records, for the year to August 31, 1976.

At halfway profit was up from £272,313 to £364,127.

All divisions improved in the year, the general engineering division being the star performer, says the chairman, Mr. E. Cars.

Useful progress was made in export markets and potentially, overseas business has now become of major significance.

Tight control on working capital requirements continued. The directors remain confident concerning the group's future.

Earnings per 25p share increased from 7.11p to 10.84p, and the dividend is lifted from 3.3775p to 3.7162p net with a final of 2.5787p.

Samuel Props. profit

A turnround from a pre-tax loss of £1.04m. to a profit of £0.25m., after interest charges down from £3.82m. to £2.48m., is announced by Samuel Properties for the year to end June, 1976.

Stated earnings per 25p share for the year are 1.8p (1.42p) and to retain trustee status, a dividend of 0.1p net is being paid. Provided progress is maintained the directors expect to resume normal payments next year, the last being 1.005p for the year 1973-74.

The company received £2.7m. from the sale of investment properties during the year. Short-term borrowings were substantially reduced and by the end of October, after off-setting cash deposits against loans and overdrafts, they were effectively nil.

Consequent upon rent reviews agreed during the year, rental increases amounting to £400,000 per annum have been received.

Support for Cornercroft chairman

The Board of Cornercroft, the Coventry-based maker of motor accessories and agricultural equipment distributor, is advising shareholders to vote against proposed resolutions at the extraordinary meeting on December 16, one of which calls for the removal of the chairman, Mr. A. W. Hartwell.

Mr. Hartwell has been a director of Cornercroft since October 1975 and its chairman for the past seven months. The rest of the Board says it is satisfied that Mr. Hartwell's involvement in the affairs of the company has already improved the prospects of the group.

Development Securities

As expected the Stock Exchange announced yesterday that it was to investigate dealings in the shares of Development Securities from November 2-10. The investigation is being made at the company's request.

Dealings in Development Securities were suspended at the company's request on November 10. Between November 2 and November 10, the shares moved up from 370p to 500p, rising by 85p on the last of these days.

The company said after the suspension that discussions were taking place which might lead to a satisfactory proposition for shareholders.

APPOINTMENTS

Changes at GKN Steelstock

GKN STEELSTOCK has made ... e new senior appointments. ... Barry King, formerly director and general manager, Steel... k Profiles, Dudley, goes to ...chester as director and general manager of the company's general steels division at ...ford Park. Mr. Frank Risker, ... was purchasing manager, general steels products group, ...s over as director and general manager, profiles group, Dudley ...ch moves to Kidderminster ... in 1977). Mr. Richard ...rook, sales manager at the ... Grove (Stockport) division, general steels products group, becomes general manager of the division, but will remain a consultant. From the beginning of next month Mr. G. Mortimer becomes director of group operations; Mr. Orrell-Jones, director of group marketing; and Mr. S. P. A. Savery, managing director of ARC South Western division. Mr. R. T. Gallie is now group secretary and solicitor.

*

Mr. B. D. Townsend will be resigning from the Board of KLEINWORT BENSON on December 31 to become a partner in the German bank of B. METZLER SEEL. SOHN AND CO. of Frankfurt am Main.

*

Mr. W. J. Blyth has been appointed group commercial director of the TURRIFF GROUP and a member of the executive Board. He has been with Turriff for 16 years.

*

Mr. Ian Gray, managing director and chief executive of the Welsh Development Agency has been appointed to the Board of the DEVELOPMENT CORPORATION FOR WALES.

*

Mr. Archer F. Leggatt has retired as chairman and managing director of ROMFORD STADIUM and has been elected life president. Mr. Kenneth L. Tucker has been appointed chairman and Mr. John N. Sutton, managing director. Mr. Tucker is a director of CORAL LEISURE GROUP, the parent concern.

*

Mr. John S. N. Charlton becomes group managing director of LIDEN (HOLDINGS) from November 15.

*

Sir Humphrey Browne has been re-appointed chairman of the BRITISH TRANSPORT DOCKS BOARD for a further period up to April 30, 1979.

*

Dr. I. J. Shaw has been appointed director of the Defence Operational Analysis Establishment, West Byfleet, Surrey, MINISTRY OF DEFENCE, from January 1.

*

Mr. K. H. Day has been appointed finance director of Smith Meters and other companies in the meters division of UNITED GAS INDUSTRIES.

*

Mr. B. Kilpatrick takes over as chairman of BURT BOULTON HOLDINGS on January 1 in succession to Mr. G. H. Hicks who is retiring in December. Mr. W. W. Munns will also be retiring from the Board at the end of this year. From January 1 Mr. J. K. Lindsey-Renton and Mr. A. O. Mulroney will become directors.

*

...r Samuel Goldman has been ...inted chairman of FRASER BACHER and of HENRY BACHER in succession to Mr. ...well Joseph, who continues ... director of both companies. ... Samuel recently retired as ...anaging director of ORION ...K, which he joined in 1972 ... retiring from the public ...ice as Second Permanent ...etary to H.M. Treasury. Sir ...uel is also chairman of the ...ENT GARDEN MARKET ...HORITY.

*

... F. S. Gelderd has been ...inted finance director and ...pany secretary of ORMOND ...INEERING.

*

...e following members have ... elected to the committee of ...YD'S from January 1: Mr. ... Higgins, Mr. P. N. Miller, ...V. V. Hudson and Mr. F. ...er. They replace Mr. P. L. ...n-Pattinson, Mr. C. O. Gibb, R. P. Lane and Mr. T. B. ...ton, who retire by rotation ...e end of this year.

*

... John Bland has been ...ed president of the ASSOCIA... OF ENGINEERING DISTRI...ORS. Mr. A. N. Gunn has ...ne vice-president, and Mr. ... Barvey, honorary treasurer.

*

...gadier John Constant, group ...ical director, will be giving ...xecutive duties with AMEY ...OSTONE CORPORATION on ...mber 30 and will be retiring ... the company on January 31,

...NK RETURN

	Wednesday Nov. 10 1976	Inc. (+) or Dec. (—) for week
...ANKING DEPARTMENT		
...ILITIES	£	£
...	14,553,000	
Deposits...	19,837,435	— 1,382,489
Deposits...	1,765,375,006	
...	304,622,085	+ 19,063,892
...s & Other...	455,448,225	— 3,805,302
	2,556,333,745	+ 15,877,891
...SETS		
...ecurities...	2,061,545,995	— 22,700,000
...& Other...	328,311,624	+ 60,146,162
...es Equip't...	64,328,089	— 141,674
...	3,910,555	— 17,416,852
...	256,944	— 10,350
	2,556,333,745	— 15,877,891
ISSUE DEPARTMENT		
...BILITIES	£	£
Issued...	[illegible]	— 25,000,000
...irculation...	6,646,089,447	— 7,583,438
...ank'g Dep't...	3,910,555	— 17,416,562
...SETS		
Debt...	11,015,100	
Govt. Secs. ...	5,960,790,211	— 25,735,591
...Securities...	675,198,689	— 1,264,409
	6,650,000,000	— 25,000,000

HOME CONTRACTS

£75m. machinery order for Rubery Owen

RUBERY OWEN (WARRINGTON) has secured a manufacturing agreement worth £75m. to manufacture asphalt paving machines and spares over a further ten-year period. The agreement is with Barber-Greene England, Bury St. Edmunds, a subsidiary of the Barber-Greene Company, Aurora, Illinois.

*

MARCONI COMMUNICATION SYSTEMS, a GEC-Marconi Electronics company, has won a further contract, worth almost £1m., to supply PCM (pulse code modulation) systems to the Post Office. This brings the total value of sales to all customers in the 9½ years since their introduction to over £21m. Under the terms of the new order, Marconi is to supply 24-channel systems for use in the Eastern, Northern Ireland, Wales and South Western Telecommunication Regions. It also covers the provision of a quantity of equipment designed to protect PCM line systems from high induced voltages, such as those caused by lightning.

*

J. SEARSON, Sutton-in-Ashfield, Notts., has received a contract worth more than £800,000 from Trent Regional Health Authority for a 96-bed unit for mentally handicapped patients at Highbury Hospital, Nottingham.

*

WILLETT, part of Trafalgar House Investments, is to erect eight single-storey warehouses in two blocks, at Portman Road, Reading, Berks., under a contract worth about £900,000. Works also include service roads, car park area and ancillary services.

*

GKN BIRWELCO, Halesowen, West Midlands, has been awarded a contract by the Ipswich Division of the Anglian Water Authority for the design, supply, erection and commissioning of the inlet works, all chemical storage and dosing equipment, air blowers and instrumentation of the proposed water treatment pilot plant at Holbrook water treatment works, which forms part of the Alton scheme, near Ipswich.

*

COSSOR ELECTRONICS, Harlow Essex, has won a contract worth more than £500,000 from the Royal Navy for the supply of 40 IFF 800 transmitter/receivers, which are to be fitted to a wide variety of vessels from frigate size upwards.

*

C. AND N. ELECTRICAL INDUSTRIES, Shrewsbury, a Cray Electronics subsidiary, has, in conjunction with Micro Displays, been awarded an order for microfiche readers worth about £500,000 from Barclays Bank.

*

SANDERSON (FORKLIFTS), Skegness, Lincs., has been awarded an order for 40 rough terrain forklift trucks worth about £430,000 by George Wimpey and Co.

*

BURROUGHS has received an order worth £250,000 from the TSB Trust Company, Andover, for a B.3700 computer to enable new policy business and inquiries to be fed into a fully-integrated system.

*

SALEM ENGINEERING COMPANY, Milford, Derby, has been awarded an order by Imperial Metal Industries for a continuous roller hearth furnace for the annealing of brass coiled strip.

*

ICI has received an order worth £137,000 from the University of Bradford for a 2904 computer system.

NORTH SEA OIL REVIEW

BY RAY DAFTER

Brae trend disappointments

THE NEW oil find by the combined Chevron/Continental Oil groups to the south of the Ninian Field has added a touch of glitter to some dismal drilling experiences in the past week or so.

Set alongside the Department of Energy's record of successful drilling ventures, the find on block 3/7 becomes the 15th significant discovery to be made in U.K. waters so far this year. It would be unwise for the Government, the industry or commentators to read too much into that record—on the face of it an encouraging one—or Chevron's latest find. It will be some time before the companies will be able to tell whether any of the reservoirs have commercial potential.

Chevron and its 13 partners involved in the 3/7 concession teamed up with the three licencees on the adjoining 3/2 (Conoco, British National Oil Corporation and Gulf Oil) to test a structure which appears to cross the boundary of the two blocks.

The latest drilling programme, carried out by the British semi-submersible rig Dundee Kingsnorth, follows an oil find on 3/7 earlier this year. The two wells, drilled on separate fault structures, go some way towards confirming the presence of a small to medium-sized accumulation of oil, although more appraisal work will be needed.

If the structure fulfills its promise, Chevron may decide to use new technology to produce the oil. It could, for instance, develop the field/fields through sub-sea wellhead systems linked to its Ninian platform and pipeline.

The North Sea is a fickle business, however; even the most promising finds can deliver unpleasant surprises. This is worth remembering as the Mesa group evaluates its Moray Firth discovery. A case in point is the Brae Field and what are thought to be related structures to the south in quadrant 16.

Pan Ocean's fourth well on block 16/7 provided just one of the recent disappointments. While "oil shows" were encountered, the producing characteristics of the structure were not good enough to provide a flow of oil. Undaunted, Pan Ocean, a wholly-owned subsidiary of Marathon, is drilling two more wells on the Brae trend. The Atlantic I rig is now close to completing drilling the fifth well on 16/7, results of which should be available in about three weeks time. And Odin Drill is well ahead with the sixth well.

From Pan Ocean's point of view the sixth well is crucial. It is being drilled on the main trend and, as such, would be expected to confirm the presence of a large oil reservoir. Results of this test should come at about Christmastime.

Recent drillings to the south of Brae has also been far from encouraging. This must make all those companies with a stake in the elongated north-south trend pause for reflection after the euphoria generated this summer. Brae could still prove to be one of the biggest fields in the U.K. sector, with oil reserves of 900m. barrels-plus. There could well be some interesting reservoirs associated with the field. But speculation that Brae could emerge as a field 30 miles long with reserves of well over 2bn. barrels is now shown to be highly speculative, to say the least.

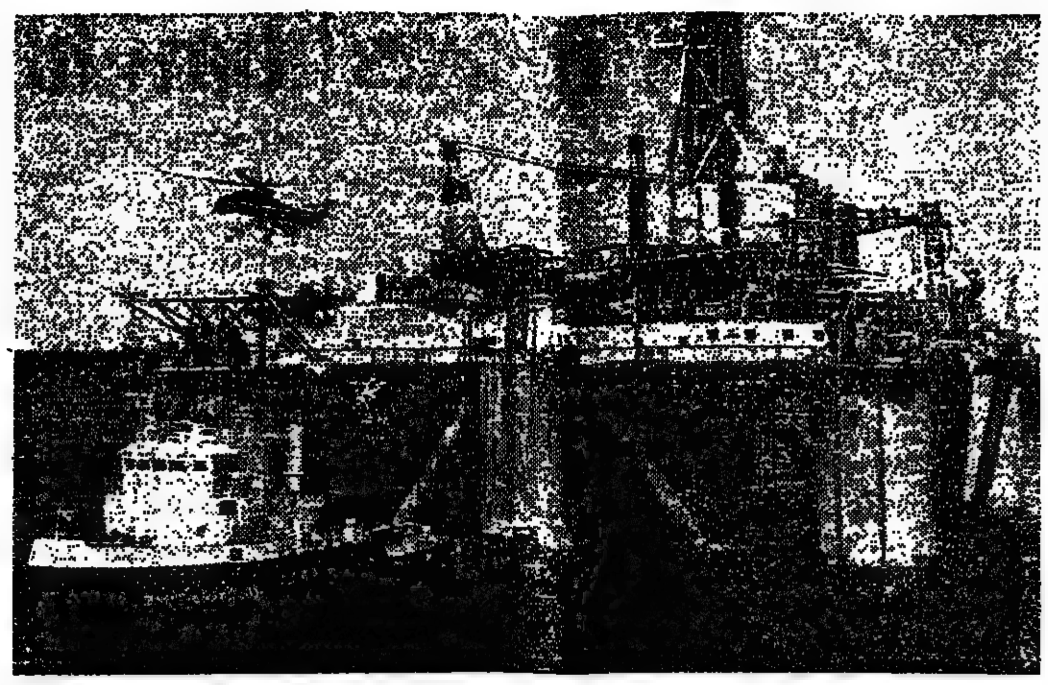
For instance, the Hunt/Viking group failed to encounter commercial oil shows on block 16/12. Now Phillips has confirmed that its "Teresa" well on block 16/17 has been plugged and abandoned as a dry hole.

Phillips drilled to a depth of 14,017 feet, hoping to pick up the oil-bearing structure encountered by the "Thelma" well in July. But the group is clearly still confident that more oil is to be found. It has retained the Western Pacesetter rig to drill a third and, possibly, a fourth well on the block.

Phillips decision to press ahead with 16/17 evaluation shows it is giving a higher priority to that prospect than its "Renée" find on block 15/27. The second well there, code-named "Robyn," has also just been abandoned at 13,071 feet as a fruitless search. In this case Phillips has relinquished its charter of the Ocean Rover rig used for the exploration programme.

Amoco, too, has had its disappointments. The seventh well on block 211/27, some 100 miles north-east of the Shetland Islands has also proved to be dry. The group was exploring a faulted structure between the Hutton Field and the prospect known as North West Hutton. According to industry estimates, the two reservoirs could contain a total of 450m. to 500m. barrels of recoverable reserves.

On the more optimistic front, Amoco is now planning the development of the Valhall oil field—a Norwegian discovery but one which might benefit the U.K. economy. The field lies about 20 miles to the south of the Ekofisk Field and, as a result, Amoco and its Norwegian Oil Consortium Partners are looking at ways of pushing Valhall oil through the Ekofisk pipeline system.



Western Pacesetter drilling rig has been retained by Phillips for more work on block 16/17.

It is understood that talks are now proceeding with Phillips, the Ekofisk operators, over a plan to transport up to 90,000 barrels a day of Valhall production to Teesside. The Amoco group has applied for Norwegian Government permission to export the oil so, if all the talks prove successful, the Valhall oil will be fed into the U.K. system, probably via Amoco's refinery at Milford Haven.

The field's development throws up the prospect of a new production platform order for either Norwegian or British contractors, both of whom are anxious for new contracts. If all goes well the field could be on stream by 1980.

The exploitation of Valhall could prove to be a test of the new spirit of co-operation which is being developed between the Governments and industries of Norway and Britain. The outward air of *entente cordiale* masks the annoyance within Whitehall at the fact that the second platform for the U.K./Norwegian Statfjord Field is to be built, like the first, in Norway.

A good deal of international interest is now being paid to the way the field is developed. The Norwegian Government and its Statoil state corporation, favour an oil pipeline to the Norwegian mainland. They feel that oil from a new discovery (announced officially yesterday) to the north of Statfjord might eventually be fed through the pipeline, thus improving its economic viability. The cost is put at between £550m. and £675m., a sizeable development obstacle in itself. But the pipeline would also have to cross the infamous subsea "Norwegian trench," a technological problem. Consequently some of the private companies in the Statfjord consortia have been favouring the offshore tanker loading method of development. This system, they have argued, would be less capital intensive and would be more flexible.

Statfjord could also feature in another international pipeline controversy. All the signs suggest that within a few weeks Mr. Anthony Wedgwood Benn, Energy Secretary, will announce the formation of a new company to evaluate, plan and build a pipeline system capable of gathering gas from a number of North Sea fields. What is not known at this stage is whether the Norwegians will become part of this new company.

Certainly the British Government hopes this will happen. It is felt on this side of the North Sea median line that the pipeline network would have a better commercial chance of succeeding if associated gas from oilfields in both sectors is fed into the system. It is worth noting that the system favoured by consultants Williams-Merz in its initial report to Government included a pipeline spur to the Statfjord Field.

The Norwegians, on the other hand, have their own plan for a spinal pipeline, gathering gas from fields on their side of the median line. Whether the Norwegian fields have sufficient reserves to justify a separate system is now being questioned by oil companies (and some within the British Government).

A number of facts are emerging about the proposed U.K. system and its managing company. For instance, £2bn. is now reckoned to be the minimum required for developing a comprehensive network. Initial construction work might start in 1980 or 1981, enabling a skeletal system to operate in 1983. And the company will be a "mixed economy" venture.

British National Oil Corporation and British Gas will be the leading lights, but they will not be the company's only members as originally planned by the Government. It now seems likely that the new pipeline organisation will have as members companies with technological and financial strength. They may be involved in the engineering industry; they will most likely include oil companies and major gas-users, like ICI.

OIL RIG MOVEMENTS

GROUP	RIG	BLOCK
Amoco	Sedco 135G	211/27-8
BP	Key Gibraltar	48/7b-1
BP	Sedco 703	211/12-5
BP	Sea Conquest	14/15-1
Burmah	Borgny Dolphin	211/18-13
Chevron	Dundee Kingsnorth	3/7-2
Conoco	Venture 1	9/19-3
Mesa	Penrod 67	11/30-2
Mobil	Sedco 704	—
Pan Ocean	Odin Drill	16/7-6
Pan Ocean	Atlantic I	16/7-5
Phillips	Western Pacesetter	16/17-3
Shell	Ocean Voyager	15/18-2
Shell	Stadrill	211/29-7
Shell	Sedco 700	211/13-4
Shell	Chris Chenery	3/12-1
Sun	Penrod 71	211/22-1
Total	Pentagone 84	3/25a-3
Transworld	Pentagone 82	21/1-4
Transworld	Sedneth 701	21/1-5
Zapex	Sinbad	21/2-3

Moet expects improved results

BY ROBERT MAUTHNER PARIS, Nov. 11.

MOET-HENNESSEY, one of France's largest champagne, cognac and perfume groups, is expecting much improved sales and profits figures this year after a disappointing performance in 1975.

During the first nine months of this year, the turnover of the three sectors rose by 22, 30 and 24 per cent. respectively and consolidated group sales are expected to be up by nearly 25 per cent. to Frs.1.4bn. (about £130m.) for the year as a whole.

Group net profits, according to M. Alain Chevalier, the vice president and managing director, are expected to double, after a substantial drop to Frs.26m during the 1975-76 financial year from Frs.42m in 1974.

Champagne sales in 1976 will reach about 20m. bottles, compared with 16.2m. in 1975, and the sector's net profits are expected to be Frs.15m against only Frs.4m. last year. This does not, however, take into account the losses made by the group's U.S. subsidiary, which is not expected to be in the black until 1979.

The improvement in cognac sales is partly due to purchases by Britain and West Germany in anticipation of tax rises, and Moet-Hennessey is expecting a drop in future sales to the all-important British market as a result of price increases. This year, however, cognac profits could be double those of 1975.

Perfumes, too, have been doing well with 70 per cent. going to export markets. Sales in this sector will rise to about Frs.320m. from Frs.275m. last year and profits are expected to increase by 45 per cent.

Moet is expecting good results from a new sparkling wine marketed by its American subsidiary, M and H Vineyards Inc. of Napa Valley, California, which will sell for $8.25 compared with $12 for an imported bottle of Moet Brut Imperial. M and H is planning to produce as much as 1.5m. bottles of the new champagne-type wine, made according to traditional French methods, equal to the group's entire current exports of champagne to the U.S.

Turnover, profitability, turn higher at Siemens

BY GUY HAWTIN FRANKFURT, Nov. 11.

SIEMENS, West Germany's largest electrical concern and the country's largest private employer, appears satisfied with the 1975/76 business year despite relatively sluggish overseas demand. Turnover showed a 6 per cent. growth rate, while profitability improved considerably.

The group's preliminary report on the year was thrust from the limelight by yesterday's news that it is to buy AEG-Telefunken's 50 per cent. stake in Kraftwerk Union, the Federal Republic's leading power station builder. The deal, which gives Siemens sole ownership of KWU and a virtual monopoly in the West German nuclear power plant construction field, will lead to a substantial increase in Siemens' turnover next year.

Dr. Bernhard Plettner, Siemens' chief executive, reported that group world turnover increased from DM18.9bn. to DM20.7bn. (£5.25bn.). The 1975/76 figures, however, included for the first time those of Osram, West Germany's leading light bulb manufacturer, which have been consolidated from January 1. (Siemens acquired the financially hard-pressed AEG's 35.8 per cent. stake in the concern late in 1975—and now holds 78.55 per cent. of its DM130m. nominal capital. The General Electric Company of the U.S. holds the remainder.)

No profit figures were given in the preliminary report, but Dr. Plettner said that Siemens' profit on turnover was likely to be in the neighbourhood of 2.7 per cent. This is much better than the previous business year's 2.4 per cent., although still below 1973/74's 2.9 per cent.

For the first time since the concern was established, overseas business accounted for half of total world turnover, rising from DM9.2bn. to DM10.3bn. Overseas sales, however, showed a slower rate of growth than home trade.

Total foreign turnover increased by 4 per cent. compared with a domestic sales growth of 7 per cent. Exports by the group's domestic operations improved by only 3 per cent. to reach DM5.4bn. compared with DM4.8bn. the year before.

Turnover performance fluctuated widely from sector to sector. The medical technology and component sectors showed a powerful improvement, while the installation technology sector recovered from the decline of the previous 12 months. Most other sectors reported slower rates of improvement.

However, the 4 per cent. decline in the concern's labour force during the period under review is expected to have a positive effect upon earnings. Including Osram, Siemens ended the business year on September 30 with some 304,000 employees on its payroll, 208,000 of which were based in West Germany.

Orders during the year remained virtually stagnant. They showed a rise of only 1 per cent.—from DM21bn. to DM21.8bn. Overseas orders went up by 4 per cent. from DM10.2bn. to DM11.4bn., but this was almost entirely offset by a 3 per cent. decline in domestic bookings from DM10.8bn. to DM10.4bn. Export orders placed with Siemen's domestic operations were up 5 per cent. from DM5.2bn. to DM6bn.

Bleak prospects for Voest Alpine

By Paul Lendvai VIENNA, Nov. 11.

AUSTRIA'S number one industrial company, Voest-Alpine, the nationalised iron and steel concern is faced with bleak prospects this year due to a sudden drop in incoming orders and the growing pressure on steel prices as a result of Japanese competition at dumping prices.

This was announced by the chairman and director-general of Voest, Dr. Herbert Koller, the 66-year-old veteran steel man who has been head of the company for the past 15 years. He also announced that he would retire in mid-1977 although his contract expires only in March, 1978. It is up to the supervisory board which is the ruling Socialist Party to appoint a successor, but it is taken for granted by informed observers that he will be succeeded by Mr. Heribert Abfalter who only this year was promoted to the board in charge of financial affairs.

Meanwhile Dr. Koller confirmed that redundancies this year could only be avoided through an absolute freeze on new employment, mandatory retirement of employees over 60 and the abolition of overtime which alone should help to save jobs for some 1,000 workers. With two-thirds of its turnover sold abroad, the Austrian steel concern is closely affected by the trend towards depressed prices on the world's steel markets, above all in Europe.

The director-general still believes that the company will be able to avoid the introduction of short time working and massive dismissals. Last year was the worst ever in the company's history. Steel output dropped by 13 per cent. and exports rose only at the cost of price concessions. In July this year the Board announced that the company had an operating loss of Sch.662m. (about 222m.) last year.

It is hoped this year that due to the growing importance of finished manufactures accounting for almost 30 per cent. of the sales here the balance sheet will show a surplus. Nevertheless Dr. Franz Geist, the director-general of OIAG, the holding company for the nationalised industries warned in a lecture this week that in view of the lack of an indigenous raw material basis and of the unfavourable geographical situation, long-term structural changes were necessary in the steel sector.

Swedish industrial profits drop to lowest on record

BY WILLIAM DULLFORCE STOCKHOLM, Nov. 11

THE combined operating profits of Swedish industrial companies, excluding shipyards, with more than 500 employees fell by 24 per cent. in the first half of 1976, according to the Central Bureau of Statistics. Compared with the corresponding period last year the companies' gross margins—operating profit in relation to sales—dropped from 10.6 to 7.5 per cent.

Both operating profits and gross margins are the lowest recorded since the bureau started its surveys in 1970. The survey covers 210 companies which issued interim reports for the first six or eight months of the year.

Their combined turnover rose by 8 per cent. in current prices compared with the first half of 1975 but, if allowance is made for inflation, sales were lower in volume.

A sector breakdown shows that the steel and metal companies ran a deficit during the first half with gross margins declining from 10.4 per cent. in the first half of 1975 to minus 1.7 per cent. Sales were down 6 cent.

Profits and margins also declined substantially in the and paper industry despite per cent. rise in sales, engineering companies incre operating profits by 4 per ce

Another Bureau of Stati survey shows new orders ceived by Swedish ind during September were 17 cent. higher than those tak September, 1975, but cumul totals for the year rema lower in most sectors.

The steel and metal comp order books declined by 1 cent. over the 12 months end of September, and as rose 1½ per cent., the f represent a volume declin per cent. Engineering ind order books rose 2 per cen prices rose 10 per cent. ove 12 months.

Only the pulp and paper reported a significant imp ment by the end of Septe with orders 14 per cent. after a 2 per cent. price inc while new orders received September were 37 per higher than in September,

CPP urged in France

BY DAVID CURRY AND MICHAEL LAFFERTY

FRENCH COMPANIES should changeover to the inflation accounting system known as current purchasing power accounting, according to an official report published earlier this week.

The report, which was prepared by a committee under the chairmanship of J. Delmas Marsalet, finance minister of the State Economic Planning Authority (Commissariat du Plan et de la Productivité), recommends a system which has been rejected in most leading industrial nations, including the U.K. and the U.S.

The report was submitted to the Government last May and the delay in publication is thought to reflect official reticence of the committee's recommendations.

The previous finance minister, M. Jean-Pierre Fourcade had stated his Government's opposition to the Marsalet proposals

German trust sales rise

BY OUR OWN CORRESPONDENT FRANKFURT, Nov. 11.

WEST GERMANY'S investment trusts are enjoying something of a boom year. Certificate sales have continued sharply upwards throughout 1976 despite the general weakness in the stock market.

October's sales figures, released to-day, show that the trend is being strongly maintained. The Bundesverband Deutscher Investment Gesellschaften (BVI)—the trusts' Trade Association—reports that its 80 member-funds sold certificates worth DM334.7m. (£84.95m.) last month.

The figures were 15.5 per cent. up on September's total—itself a good month—and a full four times higher than sales in October last year.

So far this year certificate sales have amounted to DM2.8bn. (£711m.) and it is confidently expected that the DM3bn. mark will be passed by the end of the current month.

EUROBONDS

Scotland issue pre-placed

By Tony Hawkins

A SUBSTANTIAL portion of the $75m. South of Scotland Electricity Board Eurobond issue has been pre-placed through the management group handling the issue.

This was announced last night when the lead manager, First Boston (Europe), gave details of the terms of the five-year bullet issue, which is being offered on an indicated coupon of 8¼ per cent. under a British Government guarantee.

Proceeds of the issue will be used to finance capital development and, in particular, the construction of two power stations.

The issue is being underwritten by a large international group of underwriters. The management group consists of First Boston (Europe), Amro, Bank of Tokyo (Holland), Bank Bruxelles Lambert, Banque National de Paris, Chase Manhattan, European Banking Co., J. Henry Schroder Wagg, UBS (Securities) and West-Deutsche Landesbank.

There are now two $75m. Eurobond issues with U.K. names in the market. The other is the $75m. Midland Bank 10-year bond issue, which has a coupon of 8¾ per cent.

BOND PRICES continued to slide in the U.S. dollar sector yesterday on professional selling that was at least partly stimulated by the three new issues announced previously. Overall prices were ⅜ to ½ per cent. lower with active trading in some of the newer issues where, again, sellers predominated. Sentiment was further discouraged by suggestions from New York of some tightening in monetary policy. Quebec issues were adversely affected too by political considerations arising from the opinion poll which shows the separatists ahead in Monday's provincial elections.

Some dealers took the view that this week's market performance showed that new issues have not been finding their way into firm hands. Issues that ten days ago were being described as "hot" are now looking decidedly less so.

A case in point is the Canadian National Railway stock at $99½-$100, which was priced at $100 last week after being both increased in size and having its coupon reduced.

Other dealers said they thought that while many new issues are reportedly in the pipeline, current secondary market conditions could well serve to deter any new offers until the situation stabilises.

Centronics unit in West Germany

CENTRONICS Data Computer Corporation, has filed a multimillion dollar suit against a West German matrix impact printer and its affiliates for violation of anti-trust laws, reports UPI from Hudson.

The suit, filed earlier this week, charged Mannesmann Prazisions Technik, GmbH, its parent company A. G. Mannesmann and its affiliates with interfering with Centronics two former European distributors. The suit also charged Mannesmann with unfair competition.

The suit seeks $5m. in damages and $10m. under the provisions of U.S. anti-trust laws.

Centronics alleged Mannesmann interfered with its former European distributors, Core Computer Related Equipment GmbH and Core Computer Related Equipment Limited, by conspiring to eliminate competition and injure the Hudson firm.

It also charged Mannesmann entered into an agreement with the Core companies to distribute Mannesmann products, despite a contract with Centronics preventing the Core companies from entering into such a pact.

Philip Morris deal

PHILIP Morris Inc. said it signed an agreement with the VVB Tabakindustries of the German Democratic Republic for the manufacture and marketing of Marlboro cigarettes in East Germany, due to begin next January, AP-DJ reports.

Arthur Andersen repeat anti-FASB charges

NEW YORK, Nov.

ARTHUR ANDERSEN, the Chicago-based accounting concern, has unloaded another salvo in its escalating war with the Financial Accounting Standards Board (FASB).

In the latest barrage, Andersen charged that the FASB, accountant rule-making body, has failed to live up to its responsibilities and urged that a committee of private accountants and businessmen be set up to review the Board.

The attack came in a speech by Mr Harvey Kapnick, chairman of the concern, given on Wednesday.

Mr. Kapnick also charged that the FASB is becoming an unofficial arm of the U.S. Securities and Exchange Commission (SEC), and added that private business, thus, may have to withhold further financial support from the Board.

A spokesman for the FASB declined to comment, saying he had not yet received a copy of the speech.

The Board was formed 3½ years ago as an independent gr formulate accounting stan It receives its financing donations of private in mainly the large accounti cerns.

Earlier this year Ander a scathing petition to the challenged the commi right to delegate authority on accounting FASB. It later filed a su Federal Court in Chica enjoin the SEC on the issu suit is still in the courts.

In Wednesday's addres Kapnick charged that the had failed to perform its and warned that, as a there was a danger the ment would usurp the function.

He chided the FASB example, for being sl developing uniform acco standards for oil and ga ducers. Such standard required under law to be lated by the end of nex AP/DJ

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, November 10. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except sterling (and those currencies at par with sterling) which is quoted in dollars per unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of November 11 at 11.00 a.m.
3 months 5¼ 6 months 5⅞

SDR1 = US$1.15397

Country	Currency	Value of DLR	Country	Currency	Value of DLR	Country	Currency	Value of DLR
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STRALIAN COMPANIES

Liquidators moot scheme to keep Gollin afloat

JAMES FORTH SYDNEY, Nov. 11.

ITORS of the fallen Gollin have been tempted with ospect that the return from eme of arrangement could uble that on winding up the . The provisional liquida-f. Gollin, Mr. G. J. Hosking Ir. P. W. Harvey, believe a e of arrangement to enable caled-down Gollin to con-trading is preferable to ng up. For a start Gollin be able to take advantage losses already established. ver, the scheme would run ven years, and the liquida-onsider they could be sold proven track record, fetch-higher price than possible immediate forced sale.

liquidators said to-day have had several "nibbles" parties interested in buying lebts and assets of the The liquidators intend to le a meeting of creditors ls the end of January. They prepared statements of which estimate a return cents in the dollar for Holdings if the group were up, and 37 cents in the for the operating company, and Co., in a wind up. is no prospect of a return shareholders. The figures an apparent shortfall for Holdings of about SA53m. A35m. for Gollin and Co. gh the liquidators said an figure cannot yet be given. y believe a small initial nent could be made almost liately if a scheme is d. Liquidation would certainly result in litiga-which the liquidators feel would delay payments substantially. If the scheme is approved, Gollin will trade in tea and coffee, coal, timber and chemicals with an annual turnover of between $A30m. and $A50m. The scheme needs approval from 50 per cent. of the creditors in numbers and 75 per cent. by value.

The liquidators said they negotiated the termination of the group's shipbuilding activities and returned the ships previously on long-term charter arrangements to the respective owners. The ship charter activities were serious drains on the group's cash and could not be maintained.

They realised these actions could result in substantial unsecured claims being made against the group, but anticipated that they would also be the subject of negotiation and compromise in the proposed scheme of arrangement. The liquidators also said they had negotiated new and favourable banking facilities for the group.

● THE NATIONAL BANK of Australasia performed strongly in 1975-76, boosting earnings 45.6 per cent. from $A26m. to $A37.9m. The result, the bank's eleventh successive record profit, lifted earnings per share from 37.7 cents to 44 cents and provided ample cover for a lift in dividend from 13.5 cents a share to 14 cents.

The traditional trading and savings bank operations contributed the most to earnings with a 54.7 per cent. increase to $A19.8m. The finance and other operations rose 31.5 per cent. to $A15.5m. The higher profit outpaced group turnover, which rose 33 per cent. to $A365m.

Only the Commercial Bank of Australia with a 53 per cent. profit gain, has exceeded the National's improvement so far.

In another banking development, the Australia and New Zealand Banking group has lifted its stake in a major New Zealand finance company, UDC Group Holdings Limited, from 14.4 per cent. to 72 per cent. The ANZ has reached agreement in principle to buy United Dominion Trust of the U.K.'s 80 per cent. holding in Endeavour Investments (New Zealand) which will give the ANZ complete ownership.

Endeavour holds 73 per cent. of UDC group holdings with the NZ public owning the remainder. UDC is a major finance group operating throughout New Zealand with gross receivables of about $NZ40m. The agreement between UDT and the ANZ is subject to UDT receiving consent from the necessary regulatory authorities in the U.K. The ANZ, which recently changed its domicile from the U.K. to Australia, hopes to increase public participation in UDC.

Reflecting the lack of project development in Australia, profit of the Australian Resources Development Bank slipped 23 per cent. from $A1.4m. to $A1.1m. The result represents a sharp fall in earnings in the second half as profits were up 18.5 per cent. at the halfway mark. The ARDB is owned by the private trading banks and will pay a steady dividend of $A700,000.

Record Nikko results narrow gap

BY DOUGLAS RAMSEY TOKYO, Nov. 11.

JAPAN'S second largest securities company, Nikko, has posted record results for 1975-76 which should narrow, but not close the gap between it and top-ranked Nomura—while increasing their lead over the other two majors, Daiwa and Yamaichi.

This became apparent to-day in figures supplied by Nikko and Daiwa to the Financial Times in advance of their publication here on Friday. A full industry comparison must wait until Nomura the fourth-ranked Yamaichi announce their annual results on Monday.

Nikko's net income in the 12 months to September 30 was Y17.2bn. or an increase of 166 per cent. on 1975. This beats the previous record profit of Y14.4bn. in 1973.

Operating income (the standard barometer by which industry strength is gauged) closed at Y40.3bn., up 134 per cent. from last year. This puts Nikko into the select group of Japanese financial institutions (five banks plus Nomura and now Nikko) with profits on this account in excess of Y40bn. Nikko claims the highest operating profit per employee (about Y7m.) within this group.

All of the securities companies will have performed better in 1976 than in 1975, if for no other reason than the 42 per cent. increase in the average daily turnover on the Tokyo Stock Exchange to 237m. shares in the year to September 1.

Nikko claims, however, to have done better than any other company in increasing its share of the Tokyo volume to 14.34 per cent., up from 11.6 per cent. in 1975. Daiwa said it increased its share to 10 per cent.: other sources say Nomura achieved a smaller increase than Nikko but retained just over 16 per cent. of the market, putting it less than two points ahead of Nikko for the year. Nomura, however, invested much more in bond trading in 1976 so this may explain the narrowed gap.

Nikko's net assets rose strongly to Y136.5bn. on September 30, up 39 per cent. on the year. (Net assets of the four Japanese securities companies include shareholders' equity, special reserves and unrealised profit on securities owned at the end of the period, less appropriations for dividend and bonus payments to company directors.) Daiwa's assets rose 25 per cent. to Y102.2bn. Independent sources estimate that Nomura's assets rose by 20 per cent. for the year, sufficient to leave it well ahead of the others with more than Y245bn. in net assets.

Daiwa will probably retain its number-three ranking, even if Press reports in Tokyo suggest otherwise. But 1976, despite significant earnings incomes, was not particulularly good for the company. Net income after tax was Y7.6bn., an 81 per cent. increase on 1975 but still well below the record 1973 level of Y12.3bn. Operating profits rose 56 per cent. to Y15.9bn. in the period, primarily due to a surprisingly modest rise (30 per cent.) in operating revenue (Nikko's operating revenue rose 48 per cent.).

Both Nikko and Daiwa will announce Y5 dividends per share in line with Ministry of Finance guidance for the top four securities companies. The MOF wants to maintain a high level of retained assets in the industry, although the companies expect that policy requiring uniform (and low) dividends by financial institutions could be made more flexible, starting next year. Net income per share at Nikko for fiscal 1976 was Y29.2 (about 10 cents U.S.), and at Daiwa Y16.87. The Daiwa figure represents a 62 per cent. rise on the 1975 income per share, and Nikko's a 130 per cent. increase.

Daiwa attributes its modest performance to the lead role it plays on the bond market. This role, it says, did not let Daiwa take as full advantage, say, as Nikko did in 1976 of the profits available in trading stocks and shares. In fact, Daiwa only broke even in terms of net commission income, whereas Nikko boosted net profit on this account by five times to Y17bn.

Lepetit share proposal

The Shareholders of Lepetit Spa., the big Italian pharmaceuticals group, have approved company plans to purchase its own shares, for a maximum amount of L10bn. on Italian stock markets, AP-DJ reports from Milan.

The operation was more an investment than a strengthening of the controlling interest, the company said in an announcement yesterday. Lepetit, which has registered capital of L29.3bn. is controlled by Dow Chemical Co. of the U.S.

Shareholders were told at a special meeting that the Lepetit shares purchased on the Italian markets would be accounted for separately in this year's balance sheet and possibly sold, in due course.

The shareholders were also told that company sales in January-September rose to L83.6bn. from L64.7bn. in the same 1975 period. Sales of L48.4bn. were achieved on the domestic market, against L40.1bn. the year before, and L35.1bn. on foreign markets, against L24.5bn. the previous year.

Thomson-CSF forecast

Thomson-CSF SA has reported net consolidated turnover excluding telephone switching activities for the first nine months of Frs.4.27bn. (3.62bn.), Reuter reports from Paris.

The company said the increased turnover was mainly due to expansion of electronic equipment sales, and particularly of exports. Around 70 per cent. of current orders are said to be for sale abroad.

Group turnover for the whole year is expected to be around 15 per cent. higher than last year's Frs.5.3bn. with more than half of this coming from sales on foreign markets.

Takeda Chemical

TAKEDA CHEMICAL made an after-tax profit of Y3.76bn. in first half ended September 30 Y151.08bn. (Y136.03bn.), Reuters reports from Tokyo. The dividend is unchanged at Y3.75.

Qatar talks progress

By Ray Dafter

THE QATAR Government and Shell have entered a new phase of talks over the proposed State takeover of the company's operations in the Gulf state.

A negotiating team from Shell Qatar, which produces about 240,000 barrels a day from Qatar's offshore oilfields, has arrived in Doha for talks with the Government.

An agreement for the state take-over of Qatar Petroleum, the second biggest producer after Shell, was signed two months ago. The Government offered the foreign shareholders in QPC—British Petroleum, Shell, Compagnie Francaise des Petroles, Mobil and Exxon, $30m. in compensation.

Oil sources in Qatar said that the Government was proposing a similar arrangement, whereby the oil company would be retained as operator for a fee.

M. Rueckversicherung premium income improves by 15%

BY GUY HAWTIN FRANKFURT, Nov. 11.

MUENCHENER Rueckversicherung, the Munich-based re-insurance concern, has reported a hefty 15 per cent. increase in premium income for the 1975-76 business year. But its executive Board disclosed that reinsurance earnings had taken a pounding and could well go into losses during the current business year.

Total net earnings during 1975-1976 stood at DM34.2m. (£8.7m.), heavily down on the previous business year's DM44.5m. Profits fell heavily in the reinsurance sector, where they declined to DM6.4m. after DM10m. in 1974-1975 and DM25m. in 1973-74. On the general side, they dropped from the previous year's DM34m. to DM27m.

Muenchener Rueck's premium income during the period under review rose from DM4.03bn. to DM4.65bn (£1.18bn), with the lion's share of the growth coming in overseas business. In 1975-76 premiums from abroad amounted to DM1.8bn. and foreign business accounted for 38 per cent. of the concern's income compared with 32 per cent. in the previous business year.

But although overseas business showed a 35 per cent. growth compared with 27.2 per cent. during the previous 12 months, reinsurance earnings worsened. Domestic reinsurance profits fell by DM25m., and despite an improvement of DM20m., foreign business still operated at a loss.

Losses came primarily in the fire and transport insurance sector. Muenchener Rueck was particularly hard hit by the major first in a large Customs warehouse in the Gulf.

The decline in profits on the general side came largely in the wake of the hurricane "Capella" which hit Europe in January this year. Claims stemming from storm damage caused by the hurricane cost the concern a gross DM150m. to DM160m.

After allocating DM15m. to reserves, the executive Board is proposing an unchanged dividend this year of 18 per cent. It is hoped that the group will be able to hold the dividend this year, in spite of expectations of a further decline in earnings.

Huletts cuts interim dividend

RICHARD ROLFE JOHANNESBURG, Nov. 11.

ETTS CORPORATION, the African sugar conglomer-s duly cut its interim divi-rom 12 cents to 10 cents wake of sharply lower Despite weak sugar turnover pushed ahead R142m. to R157m., but ng income fell from . to R24.4m. Allowing for depreciation and a pro-ially lower tax charge at cent. against 41 per cent. ago, net attributable profit own nearly a quarter from . to R7.2m., and earnings are from 35 cents to 24

year the total for the full as 69 cents, out of which ts was paid, but this time analysts are aiming for of about 15 cents to make dividend of 25 cents for ar up to March, 1977.

as widely predicted, the hortfall in earnings arose group's Rhodesian inter-hich contributed over half ings last year. The Board stimated earnings from this source were R2.4m., against R6.2m. in the previous comparable period.

Capital commitments amount to R13.6m., compared with R23.3m. a year ago, mainly for the sugar and aluminium divisions, and the decline illustrates once again the increasing tendency of many South African industrial majors to trim capital spending—a development which will in itself tend to prolong the current recession.

However, some relief for the South African sugar industry may be at hand with the news that the industry has applied for a large price rise aimed at restoring profitability in the local market which up to now has been subsidised by export earnings and by drawing on the price stabilisation fund. A rise of 30 per cent. has been canvassed, but even this will no tbe enough and further rises will be needed.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1986	104	105
Amoco 8½pc 1980	103½	104
Aquitaine 10pc 1985	104	105
Australia — Commonwealth 8¾pc 1983	101½	102
Australian Shipping Comm. 8½pc 1983	100½	101½
Austria 8½pc 1990	98	99
Bank of Tokyo 8½pc 1981	102	103
BFCE 8¾pc 1983	100½	101½
Barclays 8½pc 1982	103	104
Bell Canada 9¾pc 1986	103½	104½
British Gas 9pc 1981	100	101
BHP 9¼pc 1981	104	105
CECA 8½pc 1981	102	103
Commercial Union 8¾pc '94	90	91
Consolidated Foods 7¾pc '97	94	95
Denmark Mortgage Bank 9pc 1980	101½	102½
Dupont 7¾pc 1981	102	103
Dutch State Mines 8½pc '85	99½	99½
Edinburgh 9pc 1981	99	100
Escom 10¼pc 1985	95	97
Esso 8pc 1986	102	101
EEC 7¾pc 1979	99½	100
EEC 8½pc 1982	100½	101
EIB 8¾pc 1983	98½	99½
Granges 8½pc 1980	102	103
Hambros 8½pc 1983	95	100
Hammersley 10pc 1983	103	104½
ISE 9pc 1993	102½	103½
Massey 9½pc 1991	104	105
McDonald Douglas 9½pc '81	103½	104½
Michelin 8½pc 1983	99½	100½
New Zealand 8½pc 1983	102½	103½
Nippon Steel 8¾pc 1980	103	104
Norway 8½pc 1981	103	104
Occidental 8½pc 1981	102	103
Ontario Hydro 8½pc 1986	100	101
Quebec—Province 8½pc '81	103	104
Sandvik 9½pc 1986	101½	102½
Scanraff 8½pc 1983	101	102
Scott Paper 8½pc 1986	103	104
Toyo Menka 9½pc 1981	101	102
Transocean Gulf Oil 7½pc 1987	93½	94½
Union Oil 7pc 1979	100½	101½
Volvo 8½pc 1985	103	104
Bk. of Tokyo 8pc 1982 FRN	102½	103
Midland Bk. 7½pc 1983 FRN	100½	101½
DM Beecham 5pc 1983	101½	102½
DM Montreal 8½pc 1986	102½	103½
DM World Bank 8pc 1983	107½	104½
CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	80	81
Ashland 5pc 1988	83½	85½
Beatrice Foods 4¼pc 1992	99	101
Beatrice Foods 4½pc 1992	112	114
Borden 5pc 1992	97	98
Broadway Hale 4½pc 1987	78	80
Canon Camera 7½pc 1989	165	167
Carnation 4pc 1987	91½	93½
Chevron 5pc 1988	106	108
Dart 4¾pc 1987	83	85
Eastman Kodak 4½pc 1988	103½	105½
Economic Labs. 4½pc 1987	77	78
Fed. Dept. Stores 4½pc '85	114	116
Firestone 5pc 1988	86	88
Ford 6pc 1986	95	97
Ford 5pc 1988	85	87
General Electric 4¼pc 1987	82½	84½
Gillette 4¾pc 1987	77½	79
Gould 5pc 1987	98½	100½
Gulf and Western 5pc 1988	89	91
Harris 5pc 1992	94	96
Honeywell 6pc 1986	82½	84½
ITT 4½pc 1987	77½	79
Komatsu 7½pc 1990	102	103½
J. Ray McDermott 4¾pc '87	141	143
Mitsubishi Elec. 7½pc 1991	103	104½
Mitsui 7½pc 1990	101½	103
J. P. Morgan 4½pc 1987	108	110
Nabisco 5½pc 1988	93½	95½
Owens Illinois 4½pc 1987	110	112
J. C. Penney 4½pc 1987	84	86
Pioneer 8½pc 1988	233	—
Raymond 8½pc 1983	102½	104½
Revlon 4¼pc 1987	107	109
Reynolds Metals 5pc 1988	86	88
Sperry Rand 4¼pc 1987	94½	96½
Squibb 4¾pc 1987	77½	78½
Texaco 4½pc 1988	78	80
Toshiba 6½pc 1990	104	105½
Union Carbide 4¾pc 1982	102½	104½
Warner-Lambert 4½pc 1987	82½	84½
Warner Lambert 4½pc 1988	78	80
Xerox 5pc 1988	78½	79½

Source: Kidder, Peabody Securities.

Saudi tourist agency

By Our Own Correspondent JEDDAH, Nov. 11

A SEMI-OFFICIAL tourism company has just been established in Saudi Arabia with a capital of SR500m. (about £90m.).

The Saudi Government, represented by the Ministry of Finance and National Economy and the Social Insurance Establishment, has taken a 22 per cent. interest in the venture. The remainder has been underwritten by the private sector, including some of the best known names in the Saudi business world.

The company, which has been named the Saudi Company for Hotels and Tourist Areas, will involve itself in the fledgling tourism industry throughout the kingdom and hopes to develop a high standard of tourist services.

The headquarters are in Riyadh, the capital, and the company's charter will run initially for 25 years, according to the Saudi Official Gazette.

APPOINTMENTS

INTERNATIONAL APPOINTMENTS

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FINANCIAL TIMES REPORT
Friday November 12 1976

Nuclear Energy

Despite good technical and economic performance from reactors worldwide, the nuclear industry faces more and greater uncertainties than ever before. Britain is still underestimating the magnitude and urgency of the problem of building an industry to match energy needs and export potential.

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…l Fishlock
…Editor

…AR—the fifth in … which no new …r station has been …itain, and in which …of starting a new …ly receded at least …e past 12 months …markably eventful …lear interests. It … the year which …rgaret Gowing, as …st chronicler of …ry, will one day … turning point in …mmercial nuclear …

… than seven events … place which could …portant bearing on …lear future. Rather … rank them in …I will simply record them chronologically. It began with the loss of Royal Dutch Shell as a major new influence in the U.K. nuclear industry. The briefest of flirtations had ended in a humiliating withdrawal from an attempt to launch a new (but inadequately engineered) thermal reactor into a depressed market interested exclusively in proven systems backed by watertight guarantees.

Then in March, after a faintly farcical "public debate" on whether British Nuclear Fuels, in negotiating for a large Japanese contract to reprocess spent nuclear fuel, was wilfully striving to turn Cumbria into the world's "nuclear dustbin" or seeking nuclear export business to help pay for facilities which the U.K. would anyway have to build for itself, the Government gave its approval to the BNFL initiative. Its only condition was that BNFL should remain free to renege on its export contracts should it fail to find some way of returning to the customer the more highly radioactive fission products as well as the plutonium separated in reprocessing.

For Britain, the unfortunate consequence of the Government's intervention was not this condition, but the fact that the delay gave the French time to re-organise their own nuclear fuel industry and exercise a right through United Reprocessors to share the Japanese contract. Happily the two State-owned fuel companies have continued to work harmoniously together and offer similar contracts to other nations lacking their long experience of reprocessing, and therefore reluctant to embark immediately on their own big plants. Sweden could well be the next to place a major reprocessing contract.

In April the seven nuclear exporting nations—the U.S., Russia, U.K., France, W. Germany, Canada and Japan—which had been meeting secretly in London for a year to try to tighten controls on the sale of certain "sensitive" nuclear technologies to nations which would not ratify the Non-Proliferation Treaty, announced additional conditions of sale. It was an important first step for two reasons.

> "Nuclear power provides a dramatic focus for opposition in some countries to technological development and we have no doubt that some who attack it are primarily motivated by antipathy to the basic nature of industrial society, and see in nuclear power an opportunity to attack that society where it seems likely to be most vulnerable, in energy supply."
>
> *From the Report of the Royal Commission on Environmental Pollution, Nuclear Power and the Environment, 1976*

Barriers

First, the "sensitive technologies" are reprocessing, enrichment and manufacture of heavy water, where commercial as well as national security have previously been barriers to international control. Secondly, France—no party to previous controls—had begun to take the dangers of proliferation seriously at last, while Britain as host nation enhanced its own standing in helping to achieve unanimity between the "London Group."

The fourth event of the year was the steady growth of confidence in Britain's latest nuclear reactor, the advanced gas-cooled reactor (AGR), once disparaged by its principal customer as "a catastrophe that must not be repeated." The first two 660MW reactors, of ten originally ordered, were brought slowly up to an agreed maximum output of about 500MW by midsummer, with two more expected to be operating in time for the winter's peak demand.

Performance of the first two was proving exemplary, while—because the main part of construction had been completed before the AGR ran into technical troubles — the overall economics of the first two stations, Hinkley B and Hunterston B, still looked very attractive. The Central Electricity Generating Board, while not prepared to admit that it was contemplating a Mark 2 AGR—that would have been to flout a Government decision on the next reactor—became more coy about its responses.

The fifth event was disclosure in July that Sir John Hill, the Government's chief nuclear adviser, had privately warned his Secretary for Energy, Mr. Wedgwood Benn, that Britain might be heading for a fresh nuclear disaster if it persisted with the Government's decision of 1974 to embark on a commercial version of the steam-generating heavy water reactor (SGHWR or "steamer").

Sir John's argument was that when the decision had been taken, all parties were assuming that Britain needed a big expansion in electricity capacity. The 4,000 MW steamer programme authorised by the Government would be a tentative start for a new reactor, to be reviewed by 1977-78. In the event, electricity demand had slumped to a point where the first steamer would not start construction before 1979. Britain's chances of spreading the development and launching cost of the system over significant numbers of reactors were fast disappearing.

Sir John's advice was that the Government should now reconsider its decision in the light of three inputs not available when the decision was taken: a more precise idea of the cost of embarking upon a commercial-size steamer; the performance of the AGR; and his personal belief that the primary obstacle in the way of licensing light water reactors in Britain had been cleared away by completion by Dr. Walter Marshall of a report on the integrity of large steel pressure vessels.

Sir John's action apparently took many of his colleagues in the nuclear industry by surprise. Predictably, the Select Committee on Science and Technology was indignant that a decision it had endorsed should now be questioned. But most witnesses called before it this autumn merely confirmed the logic and good sense of the advice. The Energy Secretary has since authorised a comparative assessment of the three systems by the Nuclear Power Company, over the next six months, for which his department will pay. On the evidence available it may be difficult to sustain the case for the steamer.

Attack

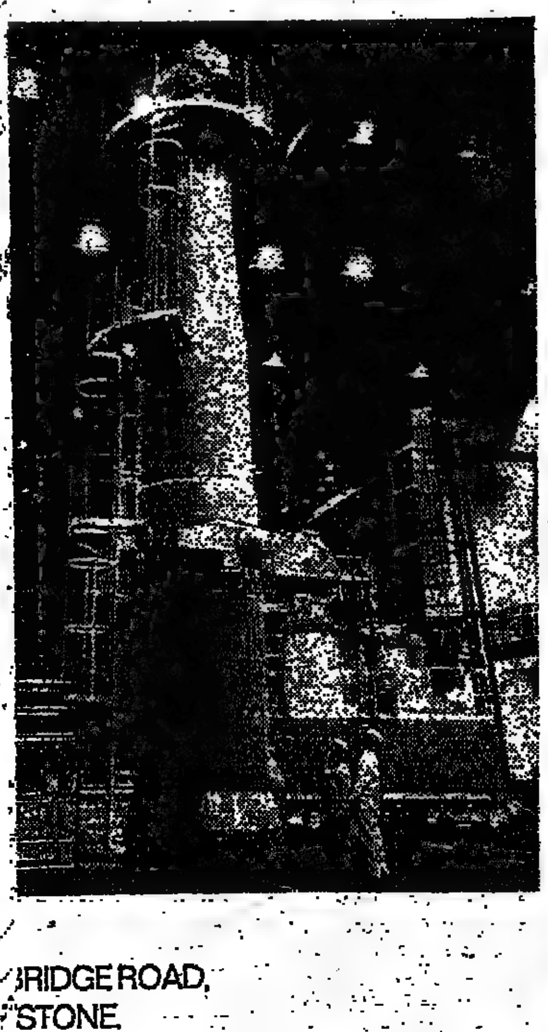
Event number six was publication in September of the report of the Royal Commission on Environmental Pollution, then headed by Sir Brian Flowers. Explicity, the report gave a surprisingly clean bill of health to Britain's nuclear programme — past, present and future— and the way it is managed and regulated. Yet it has been widely interpreted as an attack on the fast "breeder" reactor, and hence on the entire future of an industry which, lacking indigenous uranium, is bent on securing long-term national energy supplies through the plutonium created in such reactors.

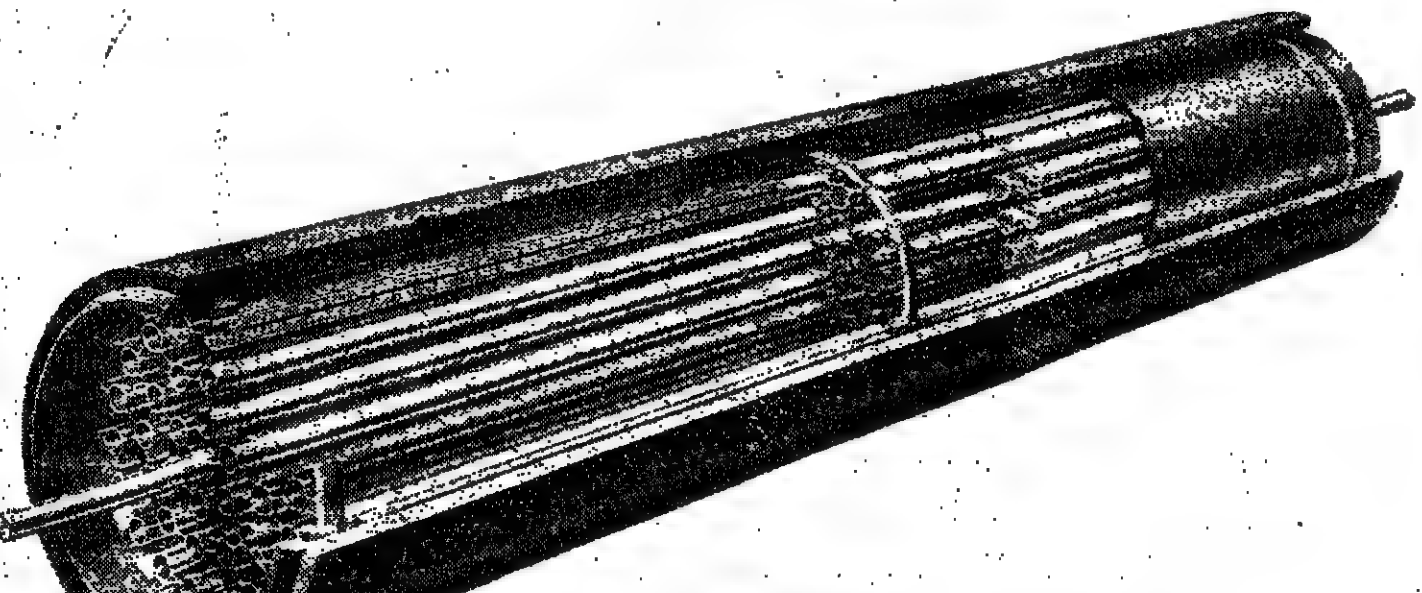
In paving the way for such an interpretation, by the ambiguities in its report and by its refusal to give clear-cut advice on decisions that plainly became the focus of its own worries, the Royal Commission has underscored what Lord Zuckerman, former chief scientific adviser to the Goverment, once described as a central problem for Government advisers: ". . . How to sift responsible from irresponsible advice, how to prevent public knowledge about science from becoming overwhelmingly tinged by emotion or even from assuming some political intent."

The seventh and final event of the year is the completion, on schedule, of the first production capacity of the Anglo-German-Dutch venture in uranium enrichment. A project which in the late 1960s—when Mr. Wedgwood Benn was negotiating the tripartite gas centrifuge venture on the U.K.'s behalf—was unquestionably a high-risk venture both technologically and politically, has for once turned out a winner.

The downturn in world demand for enrichment detracts not one whit from the fact that Urenco has provided the world with a credible alternative to U.S. and Russian enrichment, using a technology now confidently expected to supplant the established gas diffusion process. It already has enrichment orders signed up worth over £120m. a year at present-day prices from 1982 onwards.

The question now is whether from the lessons of these seven events—from the failure of one of the world's biggest companies to help launch a new thermal reactor, to impending commercial success in the fuel cycle—Britain can forge and, still more important, sustain a nuclear energy policy that will support industry through the lean years of the 1970s into the big markets that beckon in the 1980s.





Asking the right questions

IT IS EASY, amid the enduring debate over which type of reactor Britain should adopt, to overlook the fact that on the reactor design and construction side of the domestic market the *much-maligned* advanced gas-cooled reactor (AGR) remains the bedrock of business. The first four of ten reactors ordered are expected to be in service this year, but owing to significant differences in design the other six will take up to three *years to finish. One of the main* manufacturing facilities laid down for this AGR programme, that of Babcock and Wilcox at Renfrew where 32 steam generators are being built for the "podded boiler" designs of AGR at Hartlepool and Heysham, will remain fully loaded into 1978.

Earlier this year Mr. Bob Peddie, Board member for technology at the Central Electricity Generating Board, asserted that in the AGR Britain had designed and constructed the most sophisticated thermal reactor in the world. *He quoted with approval* the AGR project director who had previously called the technology "watchmaking on a tonnage scale."

The reactor has come a long way from the dark days of the winter of 1974-75, when the CEGB *in trying to commission* its first AGR—already long delayed—were horrified to hear an ominous rumbling deep inside the system. It heralded another year's delay, while they discovered the cause of the ferocious vibration in the "gags" (giant needle valves) trying to stem the gush of hot gas from the core. The crash programme to discover the cause and to restore and modify stainless steelwork bent, battered, even chewed away by the pound, probably brought the customer, his main contractor (the Nuclear Power Company) and the U.K. Atomic Energy Authority into closer harmony than any previous step in the lifecycle of this hapless reactor.

To-day, both the CEGB and the South of Scotland Electricity Board are delighted to have their first AGRs in service, with every prospect of another reactor apiece in time for the peak winter load. For the CEGB it means that with nuclear electricity now accounting for 12 per cent. of its output, oil has been pushed into third place (10 per cent.) among its fuels.

Arrival of a steam generator for one of the twin 896MW pressurised water reactors for Spain's Almaraz station, under construction by Westinghouse Nuclear Española.

For the SSEB the consequences next year could be still more dramatic. With another 1,000 MW of nuclear electricity from Hunterston B, at a cost that could be 30 per cent. cheaper than coal, that a third of its demand is likely to be met from nuclear plants. The consequence must then be either significantly cheaper electricity in Scotland or a sharp difference in the profitability of the two utilities. Already the utility is writing to its consumers promising *tariff stability* next year. With the SSEB chairman Mr. Frank Tombs destined for the top job in the electricity supply industry next spring, the lesson is likely to be hammered home in Whitehall and at Westminster.

Dilemma

Yet the AGR presents the electricity industry with a genuine dilemma. While paying generous tribute to the nuclear industry for its success in bringing the AGRs into service, it believes that a new AGR ordered now would have to be an evolution from all three designs now under construction. The validity of this view will be clearer next summer, when NPC expects to complete an assessment just authorised by the Department of Energy of three reactor systems that Britain might build.

One of these three options is a Mark 3 AGR, designed to satisfy the customers that it will be simpler to construct than present designs, and the nuclear inspectors that it will include new safety features such as greater resistance to aircraft crashes. Another option is a steam-generating heavy water reactor (SGHWR) based on the 660-MW "reference design" completed last summer, but *shorn of excessive costs* incurred by what the nuclear industry sees as the CEGB's attempt to specify an "ideal" reactor. The third option to be reviewed is the pressurised water reactor, where the choice ranges from a reactor designed to the standards proposed for the plant to be built for BASF at Ludwigshaven to the least expensive of the U.S. installations, but where the size could be twice that of the U.K. designs.

The main benefit of the study is unlikely to be a clear-cut "best buy"—it will probably show that, under U.K. regulatory requirements and given the depressed state of electricity demand, there is little to choose in unit costs. But the question will remain whether it makes any sense for Britain to try to launch a new thermal reactor into a market depressed not merely in Britain but in all but a few fast-developing nations, which in any event are interested only in reactors proven at commercial size.

The main benefit of the study *is likely to be that the nuclear* industry will simultaneously be gaining first-hand knowledge of all three reactors. The Department of Energy should thus be in a much better position to review *the government's choice* of the SGHWR in light of a *market significantly different* from that foreseen in 1974.

One consequence already of the changed situation is that reactor choice is being considered much more dispassionately in quarters which, in the days when large orders were *contemplated,* could afford to be highly partisan. The over-riding concern not just of NPC as unified design and construction contractor but of its principal supplier of components common to *any* reactor — steam generators, pumps, *valves, control rods, fuel handling* equipment, sophisticated pipework, instrumentation, etc —is how to maintain their design and project teams at a high pitch of efficiency for work that public demand is insisting must meet the most exacting engineering standards ever imposed. This concern will be stressed at a symposium planned by the British Nuclear Forum later this month, when the U.K. industry is likely to display a unanimity of views never before evident in its history.

This new unanimity will be marshalled in support of the idea of a national policy for steady ordering of nuclear plants, regardless of the choice of reactor, starting at some agreed minimum level, of the order of 1,000 MW a year, from 1979. The industry accepts that whichever of the three reactors is chosen next year, it will need until early 1979 to start construction of a new station. It also appears to accept that, for the next few years at least, there is little prospect of significantly increasing its overseas business in reactor engineering.

If such a policy is endorsed by the Government and implemented by the utilities, the question remains whether the industry itself, as restructured in 1974 in anticipation of large numbers of orders, remains sensible under the new conditions. It has even been proposed that for Britain reactor design and construction might more logically be viewed as merely another of several staging posts in the nuclear fuel cycle, an[d] just another division [of] Nuclear Fuels, with its [com]manding £900m. invest[ment pro]gramme in new and [...] fuel facilities.

A more likely outco[me] the three major comp[anies of] the nuclear indust[ry] Nuclear Power Comp[any, Bri]tish Nuclear Fuels [and the] reactor development [of the] U.K. Atomic Energy [Authority] —could come togeth[er under] one chief executive [in] a holding company. [The] purpose of such a cha[nge would] be to eradicate differe[nces in] conditions of employ[ment be]tween the three org[anisations] so that staff could be t[ransferred] freely between projec[ts as they] reached completion [and new] ones arose. This in t[urn would] help to share out the [work] —a flexibility likely [to prove] as valuable when the [work] builds up as it woul[d be] when NPC is serious[ly short of] new design work.

Weakness

The weakness o[f such a] reorganisation is tha[t it would] probably have little d[irect effect] on the private sec[tor which] would be involved on[ly through] its shareholdings in [NPC. For] this reason *it may* [have] little influence on [the most] glaring weakness of [the] nuclear industry, nam[ely the] adequacy of its ma[nagement] capacity. But it wo[uld have a] profound effect on th[e reorgani]sation now under dis[cussion in] the U.K.AEA.

It would also [raise the] question of who was [to be chief] executive of the [holding company.] Should it be Sir [...] chairman of the [...] whom Mr. Wedgw[ood Benn] appears to be tryin[g to blame] *for raising the need* [for the] reactor appraisal; o[r Mr. ...] Franklin, chief exec[utive of a] demoralised NPC; o[r Mr. Con] Allday, chief execu[tive of an] exhilarated British [Nuclear] Fuels? Or should i[t be a] man, an autocrat w[ho ...] three, perhaps, are [...] such a man Lor[d ...] recently wrote the [...] terse job specifica[tion: a] single competent en[gineer ...] an engineering jo[b ...] ultimately responsi[ble ...]

David

Reprocessing the spent fuel

IN A YEAR in which almost no new orders have been placed for nuclear reactors, it is hardly surprising if most of the atten*tion has focused on the fuel* cycle, and particularly that segment which concerns fuel when it leaves the nuclear reactor. How to "close the fuel cycle" without incurring a heavy penalty for nuclear electricity, without heightening *the public risk from plutonium* or fission products, and without courting greater risks from proliferation of nuclear weapons, has become a significant political issue.

Sweden's general election this autumn was fought around this *issue.* Both candidates in the U.S. presidential election raised it in major speeches. Britain indulged in two big bouts of soul-searching—first in response to newspaper accusations that the industry in planning to meet other countries' fuel cycle shortcomings would turn Britain into the world's "nuclear dustbin," and again when the Flowers Report appeared in September.

The year has confirmed trends in energy consumption since the major increases in oil prices by OPEC and forecasts of demand for fuel services have inevitably fallen. A rough yardstick of the cutback world wide can be found in the size of the contract being negotiated by Britain and France to reprocess Japanese spent fuel during the 1980s, until it has sufficient reprocessing capacity of its own. Two years ago the *Japanese were talking of 4,000* tonnes of spent fuel. To-day the contract is being drawn up for an anticipated 3,270 tonnes.

Closed

But the position to-day is that there is almost no fully operational capacity for the reprocessing of spent oxide fuel, the type for which there will be overwhelming demand in the 1980s. In the U.S., where 61 reactors totalling 43,000MW have operating licences and another 165 reactors are at various stages of conception or construction, all three reprocessing plants are closed down—for reasons that show no sign of being resolved quickly.

Japan's only reprocessing capacity *is* a 200-tonnes-a-year demonstration plant which it hopes to begin commissioning in a year's time. The Canadians have no reprocessing capacity although this has not prevented them claiming that their spent fuel storage represents "the world's biggest plutonium mine."

France has just begun to commission "head-end" facilities which allow it to reprocess small quantities of oxide in its main plant for metallic uranium fuel at La Hague. But Britain, which commissioned a "head-end" plant in 1969, hit trouble *in 1973 and does not expect to* return this facility to service before 1978-79.

Nevertheless, Europe has ambitious plans. United Reprocessors—a tri-partite collaboration between Britain, France and W. Germany originally set *up in 1971 as a market pooling* arrangement to try to avoid *excess* oxide reprocessing capacity and depressed prices—has subtly changed its purpose. Although it retains a marketing function—it is currently negotiating a large contract to reprocess fuel from the 10,400 MW Swedish nuclear programme, as well as fuel from British and German utilities—its key role is to pool techniques and experience of reprocessing and waste disposal.

All three partners in United Reprocessors have plans to build large thermal oxide reprocessing plants (THORPs). West Germany plans the biggest, 1,500 tonnes of annual capacity—enough to accommodate its domestic 50,000-MW power programme. It is seeking a site which will include facilities for "ultimate" disposal of the solidified high-level radioactive waste. Britain and France are planning THORPs of the order of 1,000 tonnes, primarily to meet domestic arisings—both countries have recently begun to operate their first oxide-fuelled plants—but also to undertake export contracts.

Moreover, United Reprocessors has drawn up a contract which not only stipulates a large downpayment — 40 per *cent.—by electrical utilities* towards the cost of the reprocessing capacity, but also contains a cost-plus condition to insure the reprocessor against further unpleasant surprises arising from, for example, tighter safety requirements in the cost of constructing the plant.

British Nuclear Fuels, Britain's shareholder in United Reprocessors, received the Government's permission last March to expand its export business in oxide reprocessing. This month it obtained local planning permission for a scheme for re*developing its Windscale fac*tory from a rather untidy conglomeration of nuclear activities assembled over the past 30 years into an integrated factory for storing and reprocessing natural uranium and oxide fuels. The plan includes the first 1,000-*tonne THORP and a major new* investment in magnox (metallic uranium) reprocessing. It also includes facilities for the step-by-step development of Harvest, a Harwell-invented process for vitrifying high-activity waste, expected eventually to be incor*porated into the THORP.*

What makes British Nuclear Fuels so confident that it can make a technical success of THORP, a £350m. venture, when the recent history of oxide reprocessing is a chapter of accidents and commercial disasters? *Mr. Peter Mummery,* Windscale's general manager, recently recruited from Britain's fast reactor project at Dounreay, offers three reasons for his company's confidence to-day. First, the plant is being paid for by the customers—the electrical utilities—at home and abroad. Prospective customers of the technical calibre of the Central Electricity Generating Board in Britain and the major Japanese and Swedish utilities have examined the plans and declared their readiness to pay.

Alerted

Secondly, the accident to its "head-end" plant three years ago, when an unforeseen chemical reaction puffed radioactive gas out of an imperfectly sealed plant, contaminating 35 operators, *alerted* the company—indeed the world's reprocessing industry—to the difficulties of treating highly irradiated fuel, with burn-ups of five to ten times those of magnox fuel. The company has closely reconsidered its plans, and found *them wanting* in many points of engineering detail and understanding, invested much more in research and development. As a result the THORP now projected is a far more sophisticated plant, redolent with engineering redundancy to insure against any interuption in the service offered.

Mr. Mummery's third point for confidence is the completion at Dounreay of a unique experimental reprocessing facility which Britain expects to start commissioning late next year. This is believed to be the world's *first facility for reprocessing* plutonium fuel elements from a fast reactor. Not even the French, with more than two years' experience of their 250-MW fast reactor at high performance have embarked upon such a venture—they plan to feed *fast* reactor fuel bit by bit into their new "head-end" plant.

The Dounreay facility has been adapted from a small unit reprocessing highly enriched uranium fuels. It has been designed to handle fuel of exceptionally high burn-up—100,000 megawatt-days per tonne, compared with 4,000 MW-day, for magnox and 25,000-35,000 MW-days for oxide. Results from t[...] should be available [...] the designers need [...] their detailed de[sign of] THORP.

Why was the facil[ity built at] Dounreay, when pr[essure is] increasing to grou[p all] operations concer[ned with] plutonium into a [single fuel] cycle centre at [Windscale] (which already has [a ...-tonne-]a-year facility for [...] plutonium fuel)? It [was partly] because it would b[e] cheaper to convert t[he existing] facility than to [build from] scratch, and partly [because of] the scale of program[me] anticipated for Win[dscale.]

Apart from THO[RP, Wind]scale expects to sp[end ...] refurbishing its ma[gnox repro]cessing facilities, fo[r the] first-generation nucl[ear stations.] These are now e[xpected to] exceed their design [lives by a] handsome margin, [and a] heavy workload o[f magnox] reprocessing is ex[pected to] continue into the ne[xt century.]

America's blind date with Mr. Carter

SINCE THE dawn of the atomic age every American President has vigorously supported the development of a strong civilian nuclear power programme. Now, on January 20 next, a President will take office who has frequently expressed doubts about nuclear energy, who refers to it as "dangerous," and who has taken such extraordinary steps as suggesting that all future reactors should be built underground. One might therefore expect to find the U.S. nuclear industry in profound shock, in a final seizure after its protracted illness of the past few years.

Instead, there is a new sense of possibility, even of subdued excitement. Although it is doubtful whether any of the captains of the nuclear industry actually managed to bring themselves to support Mr. Jimmy Carter, there is a great feeling in the industry, and in those parts of the U.S. Government concerned with the industry, that the polarisation of energy—and therefore nuclear policy—along ideological lines can end, and in ending produce more rational decisions.

Courting

Despite what Mr. Carter has said in the course of courting a diverse constituency, America's overall energy supply situation is deteriorating rapidly, and Mr. Carter's Presidency may well be made or lost on his ability to resolve the impending energy crisis. While the election campaign dwelt at length on social issues, it is apparent that Mr. Carter's ability to finance his vision of a more egalitarian, more socialist America depends on his ability to fuel it. And all the indicators at this moment show that this may be very hard to do.

Although Mr. Carter has courted and put his arm around Mr. Ralph Nader—the consumer spokesman who in 10 years has done so much to raise the level of U.S. consumer consciousness—the evidence is that Mr. Carter has not, as he might say, embraced this philosophy in his heart. He has been promising more of the pie to more Americans; he is promising an expansionist policy of full employment and economic growth, probably spearheaded with a tax cut.

Although some environmentalists dispute the fact, a lockstep has been demonstrated in America between energy consumption and the Gross National Product. As the President-elect seeks to improve the economy, he must do so in the face of three key facts.

The first is that production of oil and natural gas in the U.S. is in decline. At the commencement of the Arab oil embargo in 1973, the nation imported some 29 per cent. of its energy. To-day it imports 44 per cent.—mostly oil. But this oil, much of it once supplied by Canada and the non-Arab members of OPEC, is coming increasingly from the Middle East.

The second is that a major electricity shortage is in the making for the 1980s, when the nation's reserve capacity will fall to a point where rotating "brownouts" and "blackouts" are to be expected. Recently the American Public Power Association warned that to accommodate present growth in the economy installed electrical capacity would have to double by 1990.

The third fact is that the only way to alleviate the fuel crisis in the time available is to accelerate the rate of building coal and nuclear base-load generating capacity. As one energy authority after another has declared: there is no other choice.

The problem facing Mr. Carter is that in order to accelerate electricity plant construction, and particularly nuclear purchases, he has to take actions that will bring him the scorn of the environmental lobby which supported him. He has to guarantee dependable licensing of nuclear power plants through a more orderly process. In order to accomplish these changes he may have to ask the Congress to take some politically contentious actions, such as amending the National Policy Acts of 1969 and 1954.

There are a great many other areas in which the new Administration will have to move to bolster the confidence of the industry so that it becomes economically viable and able to provide the generating facilities the nation will need by the end of the century.

Pollution

The two great issues that really underlie the nuclear debate are waste disposal and proliferation. In trying to unravel these problems, Mr. Carter will learn again that the simple solutions of political rhetoric have only a tangential relationship to facts. He will learn that many of the decisions that, if taken otherwise, could have reversed the nuclear era, were taken when he was a young officer in the U.S. nuclear navy (a position that he has used freely to bolster his criticism of nuclear power).

He will learn again that the real crisis in waste management is already with the U.S., that it dates from the nuclear weapons and nuclear navy programmes, and that permanent waste disposal is a necessity, not just an option. He will also learn that the export of nuclear equipment and of nuclear expertise has been practised by the U.S. for many years, and that suddenly to withdraw from that business would probably decrease world nuclear stability.

Another challenge for Mr. Carter is a philosophical one. He will have to decide which part of the U.S. nuclear industry properly belongs in the private sector and which with Government. The Ford Administration, and the Nixon Administration before it, were unable to deal with this problem in its own right and spent great effort futilely wishing more and more of the nuclear infrastructure into the private sector, when neither Congress nor private industry was greatly interested in making the change.

Now it appears that most of the fuel cycle, all of reprocessing and waste disposal, and uranium enrichment, will stay forever in the Government sector. Such a conclusion would have been anathema to the Republicans but it can be at least conceived by the Democrats, whose ideological difficulties lie more in the area of social services than in the Government ownership and operation of hardware.

Whether anyone likes it or not, the Carter Presidency is also likely to see great changes in the ownership and operation of the nation's 180 investor-owned utilities. Regulated in their profits, and frustrated by consumer resistance and environmental constraints, these companies are facing an uncertain future exacerbated by an acute shortage of capital.

Utilities are faced with such monumental challenges as whether or not they can commercialise the fast breeder reactor (assuming Mr. Carter continues this programme, one that he has often attacked). It becomes clear there may be a need for more central planning and Government money than the utilities have admitted heretofore.

On top of all this the Carter administration will have to take into account the tangible evidence of public support for nuclear power, in spite of the growing stridency of the opposition groups. This support was most recently registered in the overwhelming defeat of anti-nuclear initiatives in the November ballots in six U.S. States. The vote counts paralleled closely the results of the first such initiative in California in June, and, if extrapolated throughout the nation, indicate that two out of three Americans are against shackling the nuclear power industry to the point of debilitation.

It all devolves, then, on Mr. Jimmy Carter—or, rather on those he appoints to serve him. In most respects a President flourishes or fails by the quality of his staff. So one finds the nuclear industry and the utilities waiting anxiously for signs that the so-called Carter transition task force is making the right moves.

The key man making these decisions is Mr. S. David Freeman, a one-time science advisor to the White House, who gained some notoriety by his conduct of a $4m. energy policy study for the Ford Foundation. That study was not well received and there is active concern as to whom Mr. Carter will pick for his key appointments in the Energy Research and Development Administration (ERDA) and elsewhere.

Names

There is some strong indication that Mr. Carter will in fact circulate several names, as he did in the matter of selecting a Vice-President, and then, on the basis of public and industry reaction, submit one that appears acceptable.

Whatever he decides to do and whatever he would like to do, the great challenge is going to be Congress. Admittedly Democratic, Congress has not always given Democratic Presidents what they wanted—as with John F. Kennedy. Mr. Freeman has recently worked with one of the committees of Congress and he is popular on Capitol Hill, so there may be some method in the new President's position first energy appointment.

While all this gets going, Americans and especially the U.S. nuclear industry are feeling all the apprehension and all the expectation that comes with a blind date.

Llewellyn King
Editor, The Energy Daily, Washington DC

The case for fast reactors

IN ANY context other than nuclear energy a mechanism for the conservation of fuel that promised to stretch it 50 or 60 times would be heralded nowadays as a masterstroke of human ingenuity. Unverified claims for "additives" to petrol that stretch it only 10 or 15 per cent. have drawn exuberant headlines since the OPEC oil price increases.

In the case of the fast breeder type of reactor, however, the claims of the nuclear industry to have demonstrated one of the most difficult feats of engineering yet attempted, as a major step towards proving the ultimate value of the fast reactor, are greeted by widespread scepticism and emotional reaction even in quarters which might reasonably be expected to view the project dispassionately. For government the problem is to separate any genuine public apprehension of the new technology from the assaults of those implacably opposed to nuclear power, who recognise that — at least for those countries lacking indigenous uranium—the fast breeder reactor (FBR) offers the prospect of perpetuating nuclear power long after economic uranium resources have run out.

Britain was one of the first nations to recognise the value of a nuclear reaction which might be engineered to breed more fuel than it consumed. Lacking anything but traces of uranium, its vulnerability to the world price and availability of the fuel was the reason which drove Harwell scientists to invent their "breeder" type of reactor. Britain claims that its basic engineering concept of a plutonium oxide fuel core cooled by molten sodium has been adopted by every country with a major development effort on the FBR, including the U.S., Russia, France, W. Germany and Japan.

Three of these countries — Russia, France and the U.K.—have brought the concept to the stage of operating at high power levels prototype power stations of the size of Calder Hall, the world's first nuclear power station. France, with its 250 MW Phénix reactor, not only completed the project on schedule but achieved astonishing levels of performance during the first two years. Had Britain, which embarked upon its prototype before the French, achieved similar performance, the French believe that the dual demonstration would have had an advantageously synergistic effect on public opinion.

In the event the British, Russian and (last summer) the French projects have all run into the same pattern of technical troubles. They concern the steam generators and the transfer of heat from molten sodium to water. Britain, for example, has discovered that no matter how meticulously it inspects certain welds in its present steam circuits it cannot guarantee that they will not leak. The British designers had gone from the outset for a fairly sophisticated design of steam generator, but even the French, who kept Phénix's circuits extremely simple, have not been immune from trouble.

Circuits

The prototype fast reactor (PFR) at Dounreay, a project to which more than 30 U.K. engineering companies have made major contributions, is operating at last on all three steam circuits. But with uncertainty remaining about the integrity of the steam circuits, a decision was taken by the U.K. Atomic Energy Authority earlier this year to replace the steam generators with a new design of the same unit size developed for the commercial fast reactor, at a cost of £10.5m. The new boilers will be installed, it is hoped, in 1979 and will provide operating experience in ample time for the next phase of the programme, a 1,300 MW demonstration power station.

The new steam generators are much simpler in concept, chiefly by virtue of the absence of sodium-heated reheaters. The idea is to have live steam reheating with the reheat units alongside the turbines in the demonstration plant. In addition, a once-through system has been chosen instead of the present forced recirculating system, because it will match reactor conditions more flexibly. By using lower steam temperature — 50°C lower — the designers have been able to use a ferritic steel for both evaporator and superheater sections.

Finally, while retaining the U-design of PFR, the designers have eliminated all welds in the tubes within the sodium system so that any weld leak cannot cause a sodium-water reaction. The demonstration plant (CFR-1) will use 16 of these units to produce 1,300 MW.

The three new units for PFR are to be made in a joint exercise by Babcock and Wilcox and Clarke Chapman/John Thompson, with the former fabricating the reheaters and the latter the superheaters. The Nuclear Power Company, as the UKAEA's prime contractors, have invited tenders to be in by next month.

It will be the largest contract placed so far relating directly to major components for a full-scale U.K. demonstration, although feasibility contracts on the manufacturability of several major design features—including the rotating shield (with Vickers) and certain large forgings—have been awarded to other companies. The next big project, given a decision to go ahead with CFR-1, is likely to be the ordering of a prototype pump for molten sodium, for testing on the new sodium rig being completed at Risley.

But the technical troubles encountered so far in several years' experience of the prototype reactors—and the whole point of building prototypes is to try to uncover at an early stage the technical troubles which could impede the full-scale project—are not the problems on which the FBR's critics have focused their attention.

In fact, if there is one thing above all the prototype FBRs appear to have demonstrated convincingly it is the basic soundness of the reactor as an engineering concept. As Sir John Hill, chairman of the U.K. AEA, commented of PFR recently: "I can say that the reactor is, as expected, very smooth and stable in operation and is behaving exactly as predicted."

The critics have now switched much of their opposition to the fuel cycle: to the fact that the reactor is designed to make plutonium at a much faster rate than thermal reactors, and that this material will be extracted, refined and returned to the reactor in what eventually must become a large-scale industrial operation.

In Britain their opposition has focused upon the CFR-1 project, which they see as a big step in this director. Ironically, PFR has already been planned as a demonstration of the complete fuel cycle. Just completed alongside the reactor is a reprocessing facility for full-scale fuel elements from the FBR, highly instrumented as a demonstration plant capable, it is hoped, of extracting up to two tonnes of plutonium a year.

Shipments

In 1978, before Britain could possibly start work on CFR-1, the first shipments of plutonium from Dounreay should be travelling south to the plutonium fuel fabrication plant at Windscale, in operation since 1971. Before the decade is out Britain expects to be the only nation with a fast reactor operating on commercial-size steam generators, with a core based throughout on plutonium fuel made on a factory scale (10 tonnes a year), and with reprocessing to close the fuel cycle.

Nevertheless, if Britain is to continue to develop the FBR for its own electricity needs in the 1990s and onwards, and with any serious prospects of participating in the world market for fast reactor engineering, it now needs to build CFR-1. If one lesson above all has already been learned from PFR it is that commercial-size fast reactors could never be manufactured to the standards demanded on a "jobbing-shop" basis. The risks of taking so cavalier an approach far outweigh those so vociferously voiced by its critics and opponents. CFR-1 is required as the testbed for a new kind of industry that it will take Britain at least ten years to build up.

D.F.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Index rises 7.39 on bargain hunting

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 11.

SELECTED BARGAIN hunting gave Wall Street a firmer trend in slow semi-holiday trading to-day. Banks were closed for Veterans Day.

The Dow Jones Industrial Average regained 7.39 to 931.43 and the NYSE All Common Index recovered 39 cents to $53.29, while rises led falls by 755-to-553. But the trading volume sharply decreased by 3.66m. shares to 13.23m., as most institutional investors were absent due to the Veterans Day holiday.

Comments by Dr. Arthur Burns, Federal Reserve Board chairman on monetary policy had little effect on stock prices.

In testimony before a Congressional Committee, Dr. Burns said money supply growth targets for the period through the 1977 third quarter had been lowered somewhat. But he indicated the present course of moderate expansion could be relaxed if economic conditions warranted it.

Coinciding with the Stock Market's rise in late trading, was an announcement by a State Departmental Official that the U.S. is urgently consulting other industrialised nations on ways to head off an anticipated oil cartel price increase.

IBM moved up $3½ to $264¾, Du Pont $1⅞ to $126¼ and International Paper $1⅛ to $64⅞.

Disney rose to $45⅜ and Koppers $1⅛ to $22⅞.

Eastman Kodak put on $1¼ to $85⅞, following an extra cash dividend plus a raised quarterly dividend.

Xerox gained $1⅞ to $57⅞ on the settlement of an Antitrust Suit with Dennison Manufacturing.

Singer were up $0.3 at $17⅞ after declaring a 10 cents per share Common dividend.

Milgo Electronic added $1⅞ at $22⅞—it rejected a merger offer from Applied Digital.

Semiconductors were mixed, with Texas Instruments down $¾ at $97⅞ but Hewlett-Packard up $⅞ at $82.

Mego International added $1⅞ at $13⅞ on talks to acquire a Questor Corporation unit.

Hilton Hotels improved $¾ to $19 on higher October profits.

The American SE Market Value Index rallied 0.46 to 98.39, while advancing and declining issues were about even.

Imperial Oil "A" were up $⅜ to $21 but Giant Yellowknife Mines were down $⅝ to $7⅞. Mitchell Energy and Development rose $1 to $35⅞.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Chrysler	275,500	17	−⅛
Nat. Semiconductor	241,100	37⅞	—
General Motors	238,000	69⅞	+⅛
Exxon	227,500	48⅞	+⅛
Evans Products	186,000	20⅞	−⅛
Reserve Oil	152,400	17⅞	⅞
Intnl. Tel. and Tel.	120,100	30⅞	−⅛
Sony	117,200	7⅞	+⅛
Dow Chemical	105,600	39⅞	−⅛
Lucky Stores	100,100	14	.

OTHER MARKETS

Canada mostly down

Canadian Stock Markets remained mostly lower in exceptionally light trading yesterday.

But the Industrial Share Index rallied 0.17 to 173.30 and Base Metals gained 0.37 to 81.07. All other sectors gave ground, with Golds down 8.76 to 300.11, Western Oils 1.09 to 205.03, Utilities 0.67 to 138.63, Banks 0.28 to 237.38 and Papers 0.20 to 107.55.

Imperial Oil at $20⅜ and Shell Canada at $14 each added $⅛. Moore gained $⅜ to $33. Massey-Ferguson $⅜ to $22⅜, and Stelco $⅛ to $24⅞.

Bell Canada lost $⅛ to $48. Aquitaine shed $⅜ to $13⅞.

PARIS — Closed yesterday—Victory Day.

BRUSSELS—Closed yesterday—Armistice Day.

AMSTERDAM—Steady to fractionally lower.

Royal Dutch finished Fls0.8 off at 112.8 after extremes of 113.40 and 110.50 in lively trading following third quarter figures.

Banks eased, while Insurances were irregular. Dutch Industrials were narrowly mixed.

Heineken moved up Fls.3.9 to 141 on speculation of favourable trading results.

SWITZERLAND—Shares drifted lower.

Banks and Financials fluctuated narrowly. Insurances eased, while Chemicals and Foods were little changed.

Among otherwise steady Engineerings, BBC Bearer lost ground.

Dollar stocks generally eased in a moderate turnover. Dutch Internationals were narrowly mixed, while Germans generally firmed slightly.

COPENHAGEN—Mixed trend Insurances and Commodities slightly higher, Shippings lower, Industrials mixed.

OSLO—Industrials were barely steady, Insurances and Bankings quiet, while Shippings were slightly easier.

GERMANY—Narrowly mixed in quiet trading.

Engineerings gained up to DM1.50, but other sectors were mixed to lower.

Motors lost up to DM5 and, among Stores, Karstadt dipped DM5 to 340.

AEG came back DM3 and Siemens DM0.70, following the news that Siemens will take over AEG's stake in KWU.

Public Loans met good demand and prices firmed by up to DM0.60. The Regulating Authorities sold DM100m. nominal of stock. Foreign Mark Loans were mixed.

MILAN—Irregularly higher in moderate trading. Government pressure for an agreement to curb wage inflation tended to boost sentiment.

Lepetit firmed following its plans to buy its own shares.

VIENNA—Lower on sustained sales pressure.

HONG KONG—Lower in slow trading.

Hong Kong Land were down 3 cents to $HK6.65. New World one cent to 1.44, Hutchison 2½ cents to 3.125, Wheelock "A" 5 cents to 2.825, Jardine 20 cents to 16.70, Swire Pacific "A" 10 cents to 9.15, Hong Kong Electric 2½ cents to 4.75, China Light 10 cents to 26.60 and Hong Kong Telephone 10 cents to 27.40.

TOKYO—Mixed although selective buying continued. Volume 230m. (270m.) shares.

Japanese Investment Trusts continued to show selective interest in Pharmaceuticals, Electric Appliances and Machinery shares. Fujisawa Pharmaceutical added Y23 at 663.

Toyoda Automatic Loom rose the daily limit of Y185 to 1,060.

Constructions were generally lower, with dealers expecting no large increase in Government expenditure until after the General Election next month.

Foodstuffs, Precision Machines and other Consumption related issues were also lower.

JOHANNESBURG—Gold shares closed off the top following profit-taking on lower overseas bullion indications.

Financial Minings were mixed. Coppers slightly easier in isolated dealings, while Platinums were firmer.

Asbestos shares were mixed, while Industrials were quietly firmer.

AUSTRALIA—Golds and Uraniums were very firm on the continued rise in the bullion price and also on impending Federal Government's decision on the future of uranium mining and export.

Queensland Mines rose 35 cents to $A2.05, Peko-Wallsend 50 cents to $A4.0, EZ Industries 21 cents to $A3.06, Pancontinental 10 cents to $A8.40, Central Norseman 10 cents to $A1.80 and GME 4 cents to 22 cents.

BHP put on 14 cents to $A6.94.

Indices

NEW YORK—DOW JONES

	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 5	Nov. 4	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	931.43	924.04	930.77	935.58	945.07	960.44	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds*	89.89	89.55	89.70	89.80	89.65	89.47	89.89	85.63	—	—
Transport	211.78	210.80	211.76	211.76	214.26	215.76	231.27	175.69	279.88	13.23
Utilities	98.45	98.15	98.22	97.58	98.00	98.42	98.52 (21/9)	84.8	163.32	10.58
Trading vol. 000's	13,230	16,890	19,210	15,520	20,780	21,700	—	—	—	—

* Basis of index changed from July 1.

	Nov. 5	Oct. 29	Oct. 22	Year ago (approx.)
Ind. div. yield %	4.07	3.98	4.09	4.60

STANDARDS AND POORS

	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 5	Nov. 4	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	111.28	110.29	110.66	111.21	112.81	114.32	120.8 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
Composite	99.64	98.81	99.32	99.60	100.85	102.41	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Nov. 10	Nov. 3	Oct. 27	Year ago (approx.)
Ind. div. yield %	3.89	3.76	3.61	3.68
Ind. P/E Ratio	11.14	11.53	11.62	12.02
Long Govt. Bond yield	5.56	5.39	5.56	8.07

N.Y.S.E. ALL COMMON

Nov. 11	Nov. 10	Nov. 9	Nov. 8	1976 High	1976 Low
53.29	52.90	53.14	53.26	57.51 (11/9/76)	57.08 (2/1/76)

Rises and Falls	Nov. 11
Issues Traded—1,829	Up—755
Down—553	Same—491
New Highs 15	New Lows 27

	Nov. 11	Nov. 10	Nov. 9	Nov. 8	1976 High	1976 Low
MONTREAL Industrial	173.30	173.13	172.75	173.16	207.46 (19/1)	172.70 (10/11)
Combined	175.01	175.86	174.43	175.80	193.76 (19/1)	173.83 (10/11)
TORONTO Indices	175.86	175.16	174.45	175.84	197.46 (30/1)	175.01 (9/1)
JOHANNESBURG Gold	172.2	165.7	162.9	160.4	[illegible]	[illegible]
Industrials	173.0	174.2	174.7	174.4	[illegible]	[illegible]

	Nov. 11	Pre-vious	1976 High	1976 Low
Australia	424.35	422.97	505.83	419.3
Belgium	95.21	95.53	[illegible]	[illegible]
Denmark	105.14	105.10	117.72	101.39
France	[illegible]	63.8	[illegible]	[illegible]
Germany	716.1	716.0	811.1	[illegible]
Holland	84.5	84.2	[illegible]	77.9
Hongkong	385.62	397.74	[illegible]	[illegible]
Italy	65.15	64.87	61.87	44.93
Japan	349.06	347.24	[illegible]	[illegible]
Singapore	—	269.05	285.15	[illegible]

	Nov. 11	Pre-vious	1976 High	1976 Low
Spain	72.32	72.92	100.78	72.32 (1/11)
Sweden	[illegible]	[illegible]	476.85	380.31
Switzerland	261.7	262.1	283.5	261.7

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). [illegible]

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £ — 119½% (116½%).

NEW YORK

[illegible]

CANADA

[illegible]

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

♦ DM50 denom. unless otherwise stated
♥ Ptas.500 denom. unless otherwise stated
♣ Kr.100 denom. unless otherwise stated
♠ Frs.500 denom. unless otherwise stated
¶ Yen 50 denom. unless otherwise stated

§ Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased.

GERMANY

Nov. 11	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	83	−3	—	—
Allianz Versich.	381	+3	18	2.4
B.M.W.	214	−5	18	4.2
B.A.S.F.	160.5	+0.8	14	4.6
Bayer	129.5	−0.5	14	5.4
Bayer Hypo	281	+1	20	3.6
Bayer Vereinsbk.	284	−2	20	3.0
Commerzbank	161.1	+1.1	18	6.0
[illegible]				

MILAN

Nov. 11	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	467	−42	—	—
ANIC	561	+0.5	—	—
Assicur. Fin.	2,500		150	4.5
Bastogi	246	+9	—	—
Breda	1,500	−0	165	8.5
Burgo	7.9	−1.0	—	—
Centrale	5,800	+99	—	—
CIGA	40	+6	—	—
[illegible]				

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

SWITZERLAND

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

BRAZIL

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

SPAIN

[illegible]

Pound declines

Sterling lost ground in the foreign exchange market yesterday, but trading was generally quiet as a result of the closure of several centres for a public holiday. Publication of the U.K. trade figures to-day may also have contributed to the low level of business, while opposition to public spending cuts by a large group of Labour MPs was reported to have caused some nervousness in the market, although no real pressure was felt.

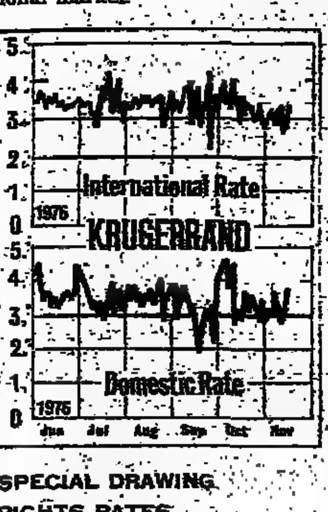
The Government's defeat on the docks bill in the House of Commons on Wednesday night had no effect in the quiet conditions. Suggestions of a strike by the Transport and General Workers' Union following the Commons vote did lead to a fall, however, but Mr. Jack Jones's rejection of the threat helped to retrieve the situation.

The pound opened at $1.6300-1.6310 in terms of the U.S. dollar and eased to $1.6250-1.6275 where it remained for most of the day. The rate fell to $1.6225 in thin trading during the afternoon, after the warning of a dock strike, but picked up to $1.6250 before closing at $1.6235-1.6245, a fall of 95 points on the day.

Sterling's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, widened to 46.4 per cent. from 46 per cent., after standing at 46.3 per cent. at noon and 46.2 per cent. in early dealings.

New York and several European centres were closed and trading in the dollar and other major currencies was quiet.

Gold fell $2½ to $133½-134½ following profit taking after the recent sharp rise. The krugerrand's premium over its gold content widened to 3.73 per cent. from 2.93 per cent. for domestic delivery, and to 3.36 per cent. from 2.93 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Nov. 11	Nov. 10
Sterling	0.709779	0.704887
U.S. dollar	1.15410	1.15387
Belgian franc	—	42.9535
Deutschemark	2.78631	2.79168
French franc	—	5.74821
Italian lira	998.787	998.764
Japanese yen	339.636	339.844
Dutch guilder	2.91468	2.92070
Swedish krone	4.88357	4.89706
Swiss franc	2.81450	2.81903

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 11	Frankfurt	New York	Paris	Brussels	London	Am'dam	Zurich
Fr'nkfu't	—	3.413-418	48.47-53	6.614-621	3.92-93	95.58-61	98.89-98.95
N. York	41.40-42	—	20.06-18	2.694-698	1.6310-6320	39.54-56	41.00-02
Paris	206.9-6.3	4.9762-9862	—	13.586-411	8.14-1645	196.7-16	203.9-4.3
Brussels	15.37-40	37.17-22	7.46-48	—	60.81-94	14.68-72	15.21-36
London	3.911-921	1.6235-45	8.071-08	60.15-35	—	4.10-11	3.95-97
Am'rd'm	104.62-63	2.5242-67	50.74-79	6.8145-95	4.1035-85	—	103.565-619
Zurich	101.06-18	2.4391-4405	48.98-02	6.575-6275	3.870-974	96.57-65	—

U.S.$ in Montreal: U.S.$ = 97.68-72 Canadian cents. Canadian $ in New York: C$ = 102.32-34 U.S. cents. U.S.$ in Milan 865.0-866.0. Sterling in Milan 1407.0-1408.5. (e) closed.

EURO-CURRENCY INTEREST RATES*

Nov. 11 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German Mark	Swiss Franc
†Short term	15¼-16⅛	4⅞-5	8¼-9¼	9-9⅝	[illegible]	[illegible]
7 days notice	15⅜-15⅞	4⅞-5⅛	8¾-9¼	9-9⅝	[illegible]	[illegible]
Month	15-15½	5-5⅛	9-9¼	9¼-9⅝	[illegible]	[illegible]
Three months	14⅞-15⅜	5¼-5⅜	9⅛-9⅜	9-9⅝	[illegible]	[illegible]
Six months	14⅞-15⅜	5⅝-6	9⅛-9⅜	8⅝-9	[illegible]	[illegible]
One year	13¾-14¼	5⅞-6¼	9-9¼	8-8⅝	[illegible]	[illegible]

Euro-French deposit rates: two-day 10½-10⅞ per cent.; one-month 10⅝-10⅞ per cent.; three-month 11⅛-11⅞ per cent.; one year 12⅛-12⅝ per cent.

Longer-term Eurodollar deposits: two years 6⅞-7⅛ per cent.; four years 7⅜-7⅝ per cent.; five years 8⅛-8⅜ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 5-5⅛ per cent.; three-month 5⅛-5⅜ per cent.; six-month [illegible] per cent.; one year 5-6⅜ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKET

	Nov. 11	
Gold Bullion (a fine ounce)		
Close	$133½-134½	[illegible]
Opening	$134-135	[illegible]
Morning fixing	$135 (£82.847)	[illegible]
Afternoon fixing	$133.20 (£81.855)	[illegible]
Gold Coins domestically		
Krugerrand	$138-140 (£85-86)	[illegible]
New Sov'r'gns	$48½-50½ (£30-31)	[illegible]
Old Sov'r'gns	$46-48 (£28-29)	[illegible]
Gold Coins internationally		
Krugerrand	$137-139 (£84½-85½)	[illegible]
New Sov'r'gns	$48½-50½ (£30-31)	[illegible]
Old Sov'r'gns	$42-44 (£26-27)	[illegible]
$20 Eagles	$219-222	[illegible]
$10 Eagles	$120-125	[illegible]
$5 Eagles	$77-80	[illegible]

FOREIGN EXCHANGES

Nov. 11, 1976	Bank Rates %	Day's Spread
New York	5½	1.6225-1.6310
Montreal	8½	1.5868-1.5915
Amsterdam	7	4.09½-4.13½
Brussels	9	60.10-60.7
Copenhagen	11	[illegible]
Frankfurt	3½	3.91-3.95
Lisbon	6½	50.80-51.2
Madrid	7	110.85-111.30
Milan	15	1,405-1,412
Oslo	6	8.55-8.62
Paris	10½	8.07-8.12
Stockholm	8	6.88-6.97
Tokyo	6½	475-485
Vienna	4	27.70-28.20
Zurich	2	3.95-3.98

* Basic discount. ‡ Rates given for convertible franc; financial franc 60.50.

FORWARD RATES

[illegible]

OTHER MARKETS

	£	Notes
Argentina	227.65-227.75	Argentina
Australia	1.4158-1.4268	Austria
Brazil	18.08-18.28	Belgium
Finland	6.4-6.5	Brazil
Greece	58.838-61.466	Canada
Hong Kong	7.76-7.78	Denmark
Iran	113-116	France
Kuwait	0.465-0.475	Germany
Luxembourg	60.15-60.35	Greece
Malaysia	4.100-4.115	Italy
N. Zealand	1.6882-1.7051	Japan
Saudi Arabia	5.70-5.83	Netherlands
Singapore	3.988-3.994	Norway
S. Africa	1.407-1.412	Portugal
U.S.		Spain
Canada		Switzerland
CS1		U.S.
U.S. cents	102.35-102.39	Yugoslavia

...xperts to ...iscuss ...ubber ...tockpile

SINGAPORE, Nov. 11.

...ERTS OF the Association of ...al Rubber Producing ...ries (ANRPC) will meet in ... Lumpur to-morrow to ...up a *proposal on relations* ...en the ANRPC's rubber ...stabilisation scheme and ...sed Unctad commodity ...stabilisation measures.

...ormed sources said the ANRPC proposal would ... the possibility of Unctad ...e for the rubber price ...e which will be signed by ...C ministers in Jakarta ...this month.

...der the agreement ANRPC ...er countries will provide ...e for the establishment of ...ber stockpile, initially of 100,000 tonnes, to be used ...e International Tin buffer ... for keeping price fluctua... within fixed limits.

...also will establish proce... for co-ordinated action to ...or encourage rubber pro...n *to help stabilise prices* ...eventing sharp supply and ...d imbalances.

...Akron, Ohio, Goodyear ...nd Rubber Company said ...ntists are working on ways ...tracting natural rubber ...uayole, ragweek and milk... all common U.S. plants. ...ral rubber now has 33 per ... of the market, Goodyear ...nd comes only from the ...tree, but it could have a ... cent. market share by 1980 ...sil fuels become more ... and the cost of producing ...tic rubber rises.

...dia may ...port grain

...K. Sharma

NEW DELHI, Nov. 11.

...S FOODGRAIN position ...en a curious turn owing ...k of adequate storage ...y. The Government is ...ing a proposal for bulk ... of foodgrain.

...e proposal is accepted, as ...likely, India will export ...in for the first time—in ...t to the heavy imports ...years owing to low food... production after weather ...les.

...year's production of food... ...as a record 118m. tonnes ...expected to be "margin... ...er" this year.

...e is 7m. tonnes being held ... Government as a buffer. ... The problem is that ...capacity, hitherto not ... on such a large scale, is ... to just under 7m. tonnes.

Sharp rise in U.S. maize crop hits grain markets

BY JOHN EDWARDS, COMMODITIES EDITOR

GRAIN PRICES fell heavily in London and Chicago yesterday, following a much greater than expected increase to over 6bn. bushels in the U.S. Department of Agriculture's November maize *crop estimate*.

In early dealings in Chicago, maize futures dropped to new life of contract lows, losing up to 10 cents a bushel, and this "bearish" sentiment also hit wheat and soyabean market values severely.

In London on the home-grown grain futures market, the January barley price was cut by £1.15 to £79.60 a tonne while January wheat fell by £1.05 to £82.50.

Although a rise in the U.S. maize crop estimate had been generally anticipated, it was the extent of the increase being forecast by the U.S. Department of Agriculture that took the trade by surprise.

The maize crop is estimated *to reach a record 6,063m. bushels*, 198m. bushels more than was being predicted in October. The USDA said that yields per acre were higher than expected as farmers completed harvesting, after generally favourable weather conditions during October. Last year's U.S. maize crop was 5,767m. bushels.

The soyabean crop forecast was also raised marginally to 1,252m. bushels, still well below last season's crop of 1,521m. bushels.

At the same time, the U.S. Department of Agriculture raised its estimate of the Soviet Union's grain harvest to 220m. tonnes, in line with recent official Russian statements, and also pointed out that late season estimates of this year's East European grain crop had shown significant upward revisions for several countries, particularly Czechoslavakia, Romania and Poland.

It now appears that in addition to the ample supplies of wheat this season built up as a result of good crops throughout the world, including the U.S., *there is also likely to be more abundant supplies of feedgrains*, despite the shrotfalls in Western European crops because of the drought. There could, therefore, be a considerable surplus of grains worthwhile this year.

Theoretically, U.K. grain prices are protected from world market influences by the import levy under the EEC farm policy used to keep values from falling below the threshold levels.

But the time lag between fixing the levies and the move in world prices enables traders to anticipate the fall in Chicago and conclude deals at present levy rates before they are adjusted upwards to compensate for the fall in world prices.

● The U.S. will protest against a new EEC measure to further reduce its surplus skimmed milk powder "mountain," Reuter reported from Washington yesterday.

Calyton Yeutter, the President's deputy special trade representative, said the U.S. will indicate its displeasure in an appropriate manner over the EEC scheme to sell the powder at heavily subsidised prices.

The latest EEC move is seen as a further threat to American soyabean exports to Europe.

Potato prices 'at peak level'

BY RICHARD MOONEY

U.K. POTATO prices could prove to be the highest seen this season, in the opinion of Mr. Tony Beeson, chairman of the National Federation of Fruit and Potato Trades' potatoes committee. But he said a substantial fall was also unlikely with prices probably remaining in the 11p to 14p a pound range for the rest of the season.

At a London Press conference yesterday, Mr. Beeson said that 42 per cent. of the U.K. potato crop was still in the ground, but farmers are expected to lift and market these as soon as possible in view of the growing risk of damage from frost or waterlogging.

This could mean that a lot of inferior quality potatoes will come onto the market shortly and this might depress prices, Mr. Beeson said. He added that good quality potatoes will probably remain dear.

The recent firmness of the market has been encouraged by farmers concentrating on lifting potatoes while the weather allows and not getting on with dressing those already lifted, Mr. Beeson said.

The U.K. crop is certain to represent a shortfall from normal consumption levels, but the extent of the likely shortfall is confused by the sharp cut in consumption which was prompted by last season's crisis, when prices soared to 22p per pound.

Though home grown supplies are unlikely to prove adequate, Mr. Beeson noted that imported Dutch supplies should be plentiful after Christmas. He said availability would be enhanced by the import into Holland and France of U.S. potatoes (which cannot be imported into the U.K.). Nevertheless, Mr. Denis Mead, chief executive of the Federation, said it was regretable that third country potato import duties (currently suspended) would be resumed in the New Year despite calls for the suspension to be extended to the end of March.

Eggs Authority criticised

BY OUR COMMODITIES STAFF

FOLLOWING a survey conducted by the British Poultry Federation, the British Egg and British Poultry Breeders' and Hatcheries Associations yesterday called for major changes in the Eggs Authority.

There should be a majority of producers on the Authority which should be empowered to carry out market intelligence and activities to promote egg consumption. The present Authority is too expensive, they said, and suggested that its budget be reduced drastically by cutting the levy of £3.50 per 100 chicks to £2.

The survey, which brought in 383 replies from producers owning 21m. birds, showed that more than 88 per cent. wanted to see a cut in the Authority's levy and 91 per cent. said there should be a majority of producers on the Authority.

● Egg prices are to rise next week, according to a spokesman for the Goldenlay marketing consortium. The rises—4p a dozen on small and standard eggs and 3p on large and medium—will take prices close to the levels ruling before a sharp cut in the middle of last month.

New peaks for cocoa and coffee

By Our Commodities Staff

THE SHARP upsurge in London's leading "soft" (non-metal) commodity markets continued yesterday with March cocoa futures gaining £32.25 to £1,998.25 a tonne, January coffee futures £34.5 to £2,319.5 a tonne and March sugar £7.25 to 143.475 a ton. The cocoa and coffee prices were new all-time peaks.

The main factors influencing the cocoa market were reports of continued U.S. manufacturer interest, a weaker tone in sterling and the tightness of producer supplies. Coffee prices were boosted by fresh buying interest from most sectors of the market, dealers said.

Sugar dealers said the market was lifted by trade and local buying prompted by reports that a London sugar house estimated the EEC's exportable surplus for 1976/77 at 700,000 tonnes, somewhat lower than recent estimates by other trade houses.

In Sao Paulo, meanwhile, trade sources said the 1976/77 sugar crop is recovering, thanks to improved weather, and could reach 60m. bags (60 kilos each). A month ago the sources put the crop at only 55m. bags.

On the London Metal Exchange, profit-taking sales brought a generally easier tone in quiet trading conditions. Tin suffered the biggest loss, with the cash price falling by £74 to £4,953.5 a tonne.

Phosphate pact talks in Senegal

DAKAR, Senegal, Nov. 11.

REPRESENTATIVES from six major phosphate exporting countries in Africa and the Middle East are meeting here with the aim of forming an Opec-style association, reports AP-Dow Jones. The six are Algeria, Morocco, Tunisia Jordan, Togo and Senegal.

Addressing the opening session, Senegalese Industrial Development Minister, Mr. Louis Alexandrenne, noted that the market for phosphates deteriorated in 1975 and "1976 isn't any better since the European market, which absorbs 60 per cent of our our output, was invaded by U.S. phosphates at abnormally low prices," he said.

Mr. Alexandrenne said the meeting was designed to put an end to "dispersed commercial policies" by participating countries.

EEC AGRICULTURE

French hill farming adapting to change

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I SPENT a few days recently on the northern slopes of the Pyrenees — agriculturally the nearest the French have to a hill farming district. But there is little similarity between these Pyrenean foothills and the mountains of Wales or Scotland.

The lower latitudes mean that the climate, even at 3,000-4,000 feet, is such that systems of farming can survive which would be impossible at 1,000 feet even in the south of the British Isles.

On the plateau of the Sault for instance, about 50 miles North of Carcasonne, there is a pattern of arable farming where the crops and the yields are very similar to those I grow in Hampshire. The difference of course, is that the holdings are generally very small and fragmented due to the inheritance laws. One man, quite a modern farmer, with the fullest equipment told me that his 100 acres of good land was in 37 separate fields.

Viable farms

He was anxious for some amalgamation, but said that the older people who remained were still clinging to particular parcels of land, and refused to consider changing fields that had been in their families for generations. Even among the good fields, a number were derelict or abandoned, the owners lived away in the towns, but still came down in the holidays and refused in many cases to let the land.

Nevertheless, he told me, the situation was changing. His particular village, *which had 600* inhabitants at the end of the war was now down to 150, and there were only a dozen viable farms left. Although there was the problem of fragmentation he made a good living combining farming with transporting school children and running a summer restaurant.

Livestock rearing is the basis of the economy of most of the farms, and he said that up to 200 breeding ewes or 30 to 50 suckling cows were sufficient for a living. The cattle and the sheep are in many cases grazed either on communal grazing near the village, or on pastures higher up the mountains once the snow has gone in the early summer. This pattern of mountain grazing is common in the Alps and parts of the Massif Central as well.

My visit coincided with some heavy snow falls in parts of the Pyrenees, and quite a few of the cattle were brought to the home farms. The grazing rights are held by villages often a considerable distance from the mountains, and the custom now is to hire a herdsman for the summer to *watch the cattle and see they* keep within bounds.

The grazing herds were quite large, 100 to 300 head, well equipped with bells to let a sleepy herdsman know where they were. Originally, I was told, some of the cows used to be milked on the mountain for butter or cheese, but now they are mostly suckling their calves for sale to Italy as young beef stores. While they are away farmers can make hay or otherwise prepare for keeping the cattle through the winter.

The cattle breeds are a mixture of Brown Swiss and Pyrenian Grey, and farmers told me that there was a good deal of uncontrollable crossbreeding due to the lack of fencing on the mountain grazing. There were also *problems of disease, particularly* brucellosis which the French Government is trying to wipe out with a subsidy scheme as in Britain.

Sheep are mostly kept for lamb production. They are not what I would call a hill sheep on the Blackface or Cheviot scale. They spent most nights and all the winter in sheds and their lambs fattened almost entirely indoors. But during the summer the ewes are usually allowed out for a few hours a day in charge of the farmer or his wife either on communial grazing, or closely folded on the farmers' own fields.

Herd size

I asked several farmers why they did not use electric fences and let the sheep and cattle run the winter as in the hill districts of Wales and Scotland. They thought my suggestion daft. Did I not realise that the winters could be cold and that there would be snow?

The number of these farmers *is going to decline further.* Unlike the dairying districts further north, in the Dordogne, for instance, there were few young men and women to be seen in the fields. The Government is concentating on helping viable farmers to survive. As French sheep and cattle prices are almost double what they are in Britain, the herd size needed for survival is much smaller. Substantial grants are available for buildings and rationalisation of holdings.

This makes me believe that even if the present population almost vanishes, leaving the villages to dereliction or the holidaymaker (small scale development of this sort is going on already), the potential for the development of both cattle *and sheep will be exploited by* others without perhaps the prejudices of the present inhabitants. In this event production could be enormously increased in line with the big rise in output of other sections of French farming in the last 25 years.

Call for higher meat promotion levy

BY PETER BULLEN

A MOVE to boost the amount of money spent on promoting British meat has been started by the Meat Promotion Executive.

The MPE has told the industry that with supplies of home-produced meat expected to fall by 10 per cent. over the next few months, with an inevitable rise in retail prices, more will have to be done to prevent people getting out of the meat eating habit.

It has suggested that the industry discusses a rise of either 50 or 75 per cent. in the MPE's income. If the larger figure was chosen it would bring the MPE's budget up to £2.5m. a year. This would mean increasing the levy paid by the industry from 20p to 30p a head on cattle; from 4p to 7p on pigs and from 1½p to 4½p on lambs.

Over 100 representatives of every section of the industry were given a detailed breakdown of the MPE's case for an increase this week which will be discussed by the various bodies so that a decision can be taken early in the New Year.

...OMMODITY MARKET REPORTS AND PRICES

...SE METALS

[illegible]

Index 01-351 3466 — March Sugar 142¾-144¼

COCOA

[illegible]

SILVER

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

MEAT/VEGETABLES

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

JUTE

[illegible]

PALM OIL

[illegible]

COTTON

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

Philippines copper for Brazil

MANILA, Nov. 11.

BRAZIL will buy 2m. tonnes of Philippine copper concentrate over the next 10 years for about $U.S.500m., Philippines president, Ferdinand Marcos, said here.

QUICKSILVER FOR SALE AGAIN

WASHINGTON, Nov. 11.

THE General Services Administration said no acceptable bids were received at its monthly offering of 500 flasks of quicksilver.

The GSA is once again offering 500 flasks and called for purchase bids by December 14. Reuter

U.S. Markets

NEW YORK, Nov. 11.

[illegible]

Winnipeg grain market was closed yesterday for Remembrance Day. New York coffee and cocoa markets were closed for Veterans Day.

[illegible]

STOCK EXCHANGE REPORT

Markets give ground awaiting to-day's trade figures

Share index 3.3 off at 299.4—Chloride rights issue

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 1	Nov. 11	Nov. 12	Nov. 23
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets gave ground in the face of uncertainty yesterday. Nervousness ahead of to-day's trade figures was probably the major cause of the reaction, while mounting opposition by Labour MPs to further cuts in public expenditure coupled with rumours of a threat of a dock strike, subsequently denied by Mr. Jack Jones, also served to undermine sentiment after the recent two-day rally. Once again, British Funds gave the lead. Recent buying of the shorts dried up and, with sellers in command, losses in this area ranged to 15/32. Long-dated issues recorded falls extending to 1/2 and the Government Securities index fell 0.26 to 57.50.

Leading equities held up reasonably well in the earlier dealings helped by the good third quarter showing from Royal Dutch Shell but later succumbed to the general uncertainty. Only a relatively small amount of stock came on offer, but with the market unwilling the FT 30-share index was showing a loss of 6.1 at 1 p.m. This was the day's lowest and a technical rally reduced the fall to one of 3.3 at 299.4 at the close, but the final tone was still uncertain.

Secondary issues presented a mixed appearance, but falls had the edge over rises by 3.3 in FT-quoted Industrials. The FT-Actuaries All-Share index eased 0.9 per cent. to 128.59. Trading conditions were not particularly lively; official markings falling away further to 4,760. Nevertheless, a lengthy list of company trading statements created a considerable amount of interest and contrasting features.

Gilts unsettled

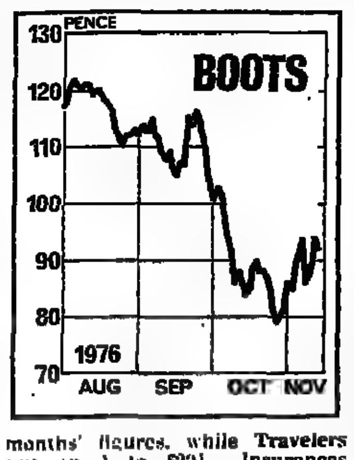
Conflicting reports of possible repercussions on the industrial front following the Government's defeat on the Dock Bill undermined British Funds. The tone initially was only slightly easier but with many Continental centres on holiday the market became extremely sensitive to speculation concerning possible retaliatory moves by the Transport and General Workers' Union, despite Mr. Jack Jones' "no strike threat" statement. The result was that a fair volume of short-dated stock found little resistance, causing a situation which eventually led to closing losses of nearly ½. Trade figure apprehensions were also in the background. In comparison, mediums and longs were quiet but sentiment was naturally affected and final losses here also extended to ½, after ⅝.

Arbitrage business coupled with the trend in sterling dominated proceedings in the investment currency market and the premium fluctuated between 119 and 121 per cent. before settling at 119¾ per cent. for a rise of a point on balance. Yesterday's S.E. conversion factor was 0.7272 (0.7287).

Australian Banks up

Leading Banks moved narrowly and were looking a little uncertain in the early afternoon, but picked up to close unchanged on the overnight levels; the exception was Midland, which eased 3 to 230p. Among Merchant Banks, Hill Samuel gave up 4 at 71p on the slightly lower half-time profit, while the Leopold Joseph interim statement left the shares 5 better at 105p. Still reflecting the denial of vague bid speculation, Grindlays reacted 2 to 50p after the previous day's rise to 55p. National of Australasia reflected the increased earnings with a rise of 12 at 257p with the new nil-paid 5 up at 55p premium. A.N.Z. put on 9 to 342p on news of the Endeavour Investments deal with UDT; the last-mentioned held at 12p.

Combined Insurance of America hardened 10 to 975p on the nine-



months' figures, while Travelers put on ½ to £23½. Insurances otherwise generally gave a little ground although General Accident held steady at 124p aided by favourable comment on the nine-months' figures.

Breweries drifted a little lower with Allied, 48½p, and Bass, 72p, both easing about 2. Interim results slightly below best expectations left Boddingtons 3 cheaper at 84p.

Buildings closed narrowly mixed. International Timber were 3 cheaper at 69p, while RMC, 62p, and Tunnel "B," 130p, lost 4 apiece. William Leech finished 2 off at 48p following the half-yearly report. On a more cheerful note, Newarthill hardened 3 to 48p and Aberthaw Cement improved 4 to 76p. Awaiting to-day's interim statement, G. H. Downing edged up a penny to 105p.

ICI, at 292p, gave up 4 of the previous day's rise of 11. Elsewhere in Chemicals, Alida Packaging hardened 2 to 52p in response to the substantially improved first-half profits. Speculative interest lifted Bernard Wardle 2½ to 13½p, while Anchor, 39p, and Catalin, 44p, put on 2 apiece.

London Entertainments shed 2 to 28p on the preliminary figures.

Chloride rights

Chloride featured Electricals with a fall of 10 to 77p on the £16.7m. rights issue proposal which accompanied the interim results. Ultra Electronic shed 3 to 43p, while Ever Ready, 96p, and BSR, 78p, lost 4 and 5 respectively. Telefusion, at 16p, made no response to chairman's encouraging remarks at the annual meeting. The leaders saw a better business, but closed little changed on the overnight levels. BICC finished unchanged at 83p, after 80p, while Reyrolle Parsons, 98p, and GEC, 133p, shed a penny apiece. Plessey, still reflecting concern about the Post Office's plans to make substantial cuts in its telephone exchange investment programme, slipped to 46p before closing 2 cheaper on the day at 48p. Thorn Electrical "A," at 156p, gave up half of the previous day's rise of 8.

Stores encountered a reasonable day's trade before closing at, or near, the overnight levels. W. H. Smith "A" continued to attract a fair amount of interest, closing 2 better at 274p following interim figures which fulfilled market expectations. Marks and Spencer ended a penny better at 81p, but Gussies "A" and UDS both finished 2 cheaper at 142p and 44p respectively. Readicut International shaded a penny to 19½p on further consideration of the interim statement, while other dull spots took in Currys and Hepworth "B" both 2 off at 61p and 23p respectively.

Contrasting trends in Engineerings were illustrated by lower price for the leaders, but firmer levels for many secondary issues. Hawker fluctuated between 394p and 286p before closing a net 2 off at 390p, but Tube Investments, 270p, and GKN, 228p, both lost 6. News items stimulated Porter Chadburn, 4 higher at 50p, and Concentric, which rose 3 to 28p, while Stone-Platt hardened to 76p reflecting the £17.25m. overseas contracts. Spear and Jackson revived with a gain of 5 to 88p and late last evening it was announced that that Hestair had acquired an 18 per cent. stake in the company. British Steam Specialities gained 3 to 47p and Tecalemit a like amount to 44½p, but Head Wrightson, 37p, and Birmid Qualcast, 48p, eased 2 and 1, respectively, after trading announcements. Awaiting developments in the bid situation, Dunford and Elliott picked up 1 to 26p, while Johnson and Firth Brown regained 2 to 43p; the former has announced terms of the proposed "rights" issue via a Convertible Preference issue.

Pork Farms provided a minor feature in Foods, improving 8 to 128p in response to the disclosure of sharply increased first-half profits. Cullens Stores, with interim figures expected next Thursday, moved up 3 to 80p. Rowntree Mackintosh, at 168p, gave up the previous day's rise of 8, while G. F. Lovell, 14p, and Somportex, 24p, shed 2 apiece. The leaders closed little changed on the overnight levels following a reasonable trade, with J. Sainsbury a penny off at 117p following Press comment on the interim figures. In Supermarkets, Tesco eased 1½ to 24½p. Apart from De Vere, a penny better at 78p following the announcement of a sharp increase in the third-quarter figures, Hotels and Caterers were generally easier for choice. Wheelers Restaurants, at 90p, lost the previous day's rise of 10, while Leisure and General, 28p, and Ladbroke, 76p, eased 2½ and 3 respectively.

Leading Inds. easier

Leading Miscellaneous Industrials started firmly enough but came back with the general uncertainties prevailing later. Business was generally small and prices fluctuated only narrowly before ending a shade lower for choice. A penny off in front of and after the half-year profit which was much in line with expectations, Boots were finally 2 down at 92p. Smiths Industries were also 2 down, at 107p, ahead of and following the results. Rank Organisation, 109p, and Pilkington, 242p, both shed 5, while Glaxo came back 6 to 347p and Unilever fell 10 to 392p. Outside the leaders, Davies and Newman shed 2 to 83p on the net loss for the half-year, while falls of 3 occurred in English China Clays, 58p, and Wilson Walton, 33p. Rockware came back 4 to 87p. Chubb, at 88p, relinquished Wednesday's gain of 2 which followed the interim statement, while the forecast of significantly lower profits in the first-half of the current year left Burndene Investments ½ easier at 8½p. Following criticism of the bid for Graff Diamonds, the shares touched 29p before ending 1 harder on balance at 28p to match the offer. Whatman Reeve put on 4 more to a year's high of 134p, while Wolstenholme Bronze Powders gained 6 further to 100p. Office and Electronic were wanted again and put on another 4 to 51p.

Among quiet Motors, Dunlop eased 3 to 70p and Dowty reacted 6 to 119p. British Leyland shed a penny to 23p as did Group Lotus, to 20p. Turner Manufacturing contrasted with a rise of 5 to 47p on small buying in a restricted market, while substantially higher earnings caused Herman Smith to finish fractionally better at 8p. Garages moved narrowly and closed with little variation on the overnight levels with the exception of Caffyns and Charles Hurst both of which finished 3 better at 80p and 58p respectively.

Among sparse changes in Newspapers and Publishers, Beaverbrook "A" eased 1½ to 28½p, while Pyramid lost the turn to 22p after the interim results and forecast that full-year profits will not be materially different from those of the previous year. Minor movements in Paper/Printings included David S. Smith, 28p, and John Waddington, 92p, both up 2.

Shell figures please

Royal Dutch/Shell's third-quarter results pleased not only Oils but also helped to sustain equity markets initially and Shell rallied from a lower opening level of 384p to 398p in lively dealings before a close of 6 higher on the day at 394p. Royal Dutch, despite adverse overseas influences, recovered ¾ to £37¾. British Petroleum improved in sympathy to end a net 4 dearer at 668p, after extremes of 680p and 670p.

Secondary issues, however, tended easier and Ultramar gave up 4 to 104p, while Tricentrol surrendered 2 to 72p. Century weakened late and closed 11 down at 44p on news that the BP offer was to be referred to the Monopolies Commission, which means it automatically lapses.

Properties became indecisive and while many secondary issues improved, the leaders shed a few pence. Land Securities gave up 2 at 116p, after 115p, and MEPC lost the turn to 34p, having been 33p earlier. Samuel responded to the much better than expected preliminary statement with its return to profitability and closed 3 higher at 27½p, while Trafford Park improved 1 to 36p on the increased revenue forecast made at yesterday's annual meeting.

Trusts had a couple of firm spots in Telephone and General and Temple Bar Investment both of which closed 3 better at 103p and 72p respectively, following the announcement that the two companies have agreed to merge.

Shippings passed an uneventful session.

Bright spots in Textiles included Coats Patons, 3 to the good at 50p on the better-than-expected interim results, and John Beales, 4 higher at 32p, on the payment of an interim dividend and return to profitability at the half-way mark. In contrast, Courtaulds gave up 1½ to 75½p.

Little of interest occurred in Plantations. Among Teas, Assam Frontier firmed 5 to 140p on the results; discussions are continuing which may lead to an offer for the company.

Golds react

The reaction in the bullion price, which closed $2.50 ... $134 per ounce was ref... the 2.1 fall in the Gold ... dex to 138.3, its first fa... trading days.

A firmer opening in ... market was attributed ... low-through of the subst... demand late on Wednes... ing, but prices then ... come off in front of ... morning gold fixing a... quently followed the m... down throughout the d...

Against the general t... ever, West Driefontein r... to £20¼ while Kloof ha... to 435p. After a bright ... London-based Financia... easier reflecting the w... U.K. Industrials.

Tins, which were the ... a flurry of interest lat... nesday, continued to ... reflecting the rise in t... tin price and reports ... may start importing ti... Tin, which rose 13 to ... Southern Malayan, w... 8 higher at 185p were f... favoured on further co... of the increased final d...

News that the Australi... ment is lifting its e... uranium exports—but ... no permission for n... operations to start up... marking-up of share pr... Wallsend advanced 5... Pancontinental 75 to 90... Industries 10 to 315p. ... In Australians, Metrams... to a year's high of 24... the chairman's encou... marks at the annual m...

Elsewhere, an opinio... sult indicating a 49 per ... for the left-wing par... forthcoming Quebec ... caused Canadians to lo...

FINANCIAL TIMES STOCK INDICES

	Nov. 11	Nov. 10	Nov. 9	Nov. 8	Nov. 5	Nov. 4
Government Secs.	57.50	57.76	57.54	57.19	57.56	57.40
Fixed Interest	57.88	57.36	57.98	57.20	57.56	56.83
Industrial Ordinary	299.4	302.7	295.8	291.0	308.7	301.1
Gold Mines	138.3	140.4	139.6	129.4	130.1	116.9
Ord. Div. Yield	7.27	7.20	7.38	7.50	7.14	7.11
Earnings Y'ld % (full)	22.59	22.48	23.03	23.16	22.03	22.57
P/E Ratio (net) (*)	5.46	5.53	5.37	5.33	5.67	5.51
Dealings marked	4,760	4,860	4,964	5,819	5,261	4,620
Equity turnover £m.	—	64.17	68.69	49.80	65.24	62.21
Equity bargains total	—	10,922	11,100	11,154	14,257	12,444

10 a.m. 301.4. 11 a.m. 301.1. Noon 300.4. 1 p.m. 298.6. 2 p.m. 299.3. 3 p.m. 299.4. Latest Index 01-246 8026.

(*) Based on 52 per cent. corporation tax. † Nil=5.41.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	65.41 (5/1)	55.85 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45 (6/1)	55.37 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.6 (4/5)	265.3 (27/10)	549.2 (14/5/72)	49.4 (26/6/40)
Gold Mines	446.9 (2/1)	79.6	442.3	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 11
Daily—	
Gilt-Edged	193.1
Industrials	148.6
Speculative	50.0
Totals	108.3
5-day Av'rge—	
Gilt-Edged	231.4
Industrials	163.2
Speculative	42.5
Totals	121.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS

GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Group	Thursday, Nov. 11, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Nil) (Corp. Tax 52%)	Wed. Nov. 10 Index No.	Tues. Nov. 9 Index No.	Monday Nov. 8 Index No.	Friday Nov. 5 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	112.20	−2.0	23.98	5.35	6.17	6.20	114.51	109.75	110.98	114.50	138.04	160.06 (21/4)	100.83 (28/10)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	95.16	−1.9	23.97	10.13	6.28	6.28	97.02	92.80	93.88	97.40	131.99	150.18 (15/1)	85.55 (27/10)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	141.05	−0.3	31.75	7.73	4.86	4.86	141.40	134.56	137.64	142.41	254.37	260.20 (1/1)	128.08 (27/10)	389.55 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	211.56	−3.4	20.99	5.28	6.59	7.09	218.98	207.15	208.94	219.16	240.62	287.30 (21/4)	190.54 (27/10)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	143.11	−1.6	32.44	8.71	4.52	4.45	145.47	138.22	139.34	144.05	167.60	195.18 (6/5)	135.66 (27/10)	202.67 (6/1/75)	64.59 (2/1/75)
6	Engineering (General) (64)	106.30	−1.9	24.37	8.76	6.05	6.05	108.35	104.58	105.77	108.19	130.07	149.29 (5/5)	95.20 (28/10)	168.59 (1/5/72)	45.45 (6/1/75)
7	Machine and Other Tools (9)	49.47	−1.0	19.54	5.98	7.66	7.65	49.99	48.66	49.02	49.67	47.50	60.62 (5/5)	45.29 (11/10)	156.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (24)	99.51	−0.5	21.18	9.05	6.86	6.86	99.78	97.47	98.72	99.10	116.18	141.94 (11/5)	90.23 (28/10)	177.41 (7/5/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	95.65	−2.0	26.54	7.59	5.85	5.86	97.61	93.22	94.22	96.65	112.62	141.46 (21/4)	83.12 (28/10)	227.78 (21/4/72)	36.59 (6/1/75)
10	Lt. Electronics, Radio TV (15)	100.57	−2.2	24.15	5.85	6.16	6.15	102.85	97.56	99.35	102.49	125.57	160.35 (7/4)	87.51 (27/10)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (13)	107.65	−1.0	28.47	11.15	5.36	5.33	108.71	106.91	107.15	107.82	166.43	187.22 (7/4)	104.30 (28/10)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	66.75	−2.1	26.53	8.35	5.65	5.66	68.16	66.15	65.36	66.75	65.25	88.16 (3/5)	56.10 (28/10)	170.39 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	114.73	−1.8	19.66	8.47	7.69	7.62	116.89	112.38	112.99	117.25	146.26	162.24 (4/2)	104.41 (27/10)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	120.02	−1.4	20.27	9.56	7.59	7.59	121.76	117.56	119.57	122.59	166.64	179.45 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	127.82	−1.8	18.46	8.68	8.31	8.31	130.19	129.12	129.71	133.91	153.79	190.67 (6/5)	124.71 (28/10)	267.40 (13/7/72)	78.88 (16/12/74)
16	Entertainment, Catering (14)	140.07	−2.5	19.20	9.58	8.05	7.98	143.38	136.95	139.68	144.37	176.79	211.36 (8/5)	127.11 (28/10)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (23)	132.65	−2.1	21.46	6.98	7.07	7.02	135.50	130.45	130.24	135.01	162.03	179.44 (11/5)	120.64 (27/10)	211.66 (1/5/72)	59.67 (11/12/74)
18	Food Retailing (18)	107.52	−1.8	17.34	7.29	8.44	8.44	109.46	104.48	106.42	108.85	148.46	160.05 (12/1)	92.79 (28/10)	256.08 (16/3/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	173.57	−0.7	14.42	6.15	10.50	10.50	174.87	171.28	175.50	177.47	157.59	184.46 (11/6)	148.46 (12/10)	260.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (12)	81.95	−0.2	18.76	9.63	8.19	8.19	82.10	79.96	80.24	82.50	98.24	112.50 (23/4)	72.34 (27/10)	155.89 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	89.65	−2.1	17.14	7.94	8.99	8.96	91.59	86.80	85.99	90.65	126.21	136.24 (2/2)	76.47 (28/10)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (24)	105.20	+2.1	17.94	11.09	8.44	7.52	103.04	101.19	102.28	105.96	169.14	185.24 (30/1)	96.76 (27/10)	235.72 (17/1/69)	62.66 (11/12/74)
23	Tobaccos (3)	179.53	−3.5	24.41	9.62	6.09	6.09	185.96	181.45	180.92	187.98	207.48	241.98 (5/5)	167.36 (28/10)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	67.88	−0.4	24.39	9.34	5.50	5.48	68.12	66.96	66.83	68.06	62.93	80.95 (16/7)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (28)	175.16	+0.6	18.05	6.57	7.56	7.56	174.17	170.61	171.44	175.91	187.95	231.36 (3/5)	165.10 (27/10)	231.36 (3/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	62.46	−2.5	19.34	8.46	7.55	7.55	64.07	61.45	63.92	66.19	90.06	100.18 (19/5)	58.35 (29/10)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	333.14	−1.0	15.26	7.81	9.36	8.46	336.36	328.91	331.29	341.76	390.22	432.64 (30/1)	308.48 (28/10)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	121.96	+0.8	19.34	9.64	7.76	7.77	121.01	117.12	117.80	123.06	152.50	172.98 (21/4)	108.14 (27/10)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	119.17	−1.5	20.59	8.16	7.17	7.14	120.74	115.40	117.29	121.29	146.99	168.38 (3/5)	107.52 (27/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	362.96	+1.0	11.73	4.83	9.87	9.08	359.35	354.59	352.01	368.70	331.19	395.84 (30/5)	315.67 (11/10)	431/66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	138.60	−0.9	18.87	7.51	7.57	7.45	139.80	135.36	136.02	141.00	162.80	163.00 (3/5)	125.80 (27/10)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	98.32	−1.5	—	7.91	—	—	100.80	96.96	97.19	101.04	137.28	153.46 (30/1)	87.19 (28/10)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	128.69	−0.5	26.51	7.15	5.87	5.87	129.34	127.28	125.87	132.51	166.66	192.16 (29/1)	111.33 (27/10)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	125.39	−0.9	—	10.65	—	—	129.49	116.05	117.76	122.30	166.39	186.52 (13/1)	97.72 (28/10)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	60.58	−1.4	11.89	10.77	18.73	18.73	61.75	58.91	60.71	60.27	97.80	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (10)	80.22	−1.9	—	9.45	—	—	81.76	78.58	79.55	82.77	124.03	129.46 (30/1)	73.11 (28/10)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	77.06	−1.6	—	9.59	—	—	78.29	75.15	75.58	78.49	115.27	119.75 (30/1)	68.99 (28/10)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	206.15	−2.6	14.26	6.76	10.48	10.48	211.74	201.49	205.47	208.82	226.13	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	50.66	−2.2	—	6.92	—	—	51.82	50.13	50.98	52.62	86.90	93.83 (27/1)	45.15 (28/10)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	114.91	−1.1	3.37	4.81	33.63	31.74	116.17	109.65	110.17	115.67	156.29	194.57 (30/1)	95.95 (27/10)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	60.66	+1.1	22.63	13.75	6.66	6.66	59.92	59.16	60.47	61.24	76.62	91.98 (3/2)	55.37 (28/10)	305.18 (18/6/72)	38.29 (17/12/74)
42	Investment Trust (50)	123.94	−0.3	4.26	6.20	24.23	24.23	124.28	121.87	124.12	126.88	121.83	134.55 (30/1)	116.09 (28/10)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	128.59	−0.9	—	7.51	—	—	129.75	125.63	126.88	130.87	156.52	172.64 (30/1)	116.39 (27/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	487.41	−1.8	9.67	5.78	15.04	13.95	496.35	496.57	488.54	478.30	399.59	523.40 (7/6)	404.67 (14/1)	565.37 (25/7/73)	84.68 (25/8/65)
45	Teas (8)	127.06	+0.7	33.19	9.68	3.97	3.84	126.23	125.64	125.65	126.46	120.53	142.43 (6/7)	117.89 (7/1)	142.43 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	148.15	+1.5	43.73	7.56	2.28	2.29	146.24	144.62	144.62	143.41	265.85	301.47 (7/1)	143.41 (5/11)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	84.77	−0.3	11.02	5.70	9.97	9.89	84.99	82.36	83.26	83.31	113.76	119.77 (7/1)	77.55 (15/10)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (5)	125.35	+6.7	11.28	6.87	13.63	13.46	118.58	117.51	117.21	117.01	92.26	126.36 (7/10)	86.09 (9/2)	126.36 (7/10/76)	54.83 (27/5/70)
49	Overseas Traders (13)	196.13	−1.0	17.42	6.98	7.78	7.77	198.20	193.71	192.76	195.40	218.35	254.47 (3/5)	178.31 (27/10)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Thurs., Nov. 11 Index No.	Yield %	Wed. Nov. 10	Tuesday Nov. 9	Monday Nov. 8	Friday Nov. 5	Thurs. Nov. 4	Wed. Nov. 3	Tues. Nov. 2	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.27	15.27	16.38	16.37	15.12	15.34	15.58	15.57	14.72	—	—	—	—
2	20-yr. Govt. Stocks (6)	43.85	14.72	43.86	43.62	43.42	44.21	43.82	43.14	43.00	46.81	53.45 (30/1)	42.31 (27/10)	115.42 (11/7/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	44.04	16.65	44.04	44.01	44.07	44.07	43.55	43.19	43.09	45.85	52.40 (21/5)	43.09 (2/11)	113.43 (25/10/65)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	43.58	15.95	43.49	43.41	43.56	43.56	41.49	41.23	41.32	47.16	51.23 (18/2)	40.54 (3/10)	114.41 (15/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	58.90	15.34	58.32	57.87	57.87	58.38	57.15	55.99	56.14	64.36	71.97 (2/2)	54.89 (2/10)	114.96 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	16/1/70	164.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

CONSTITUENT CHANGE: Mather and Platt has been replaced by Rotork (Engineering (General)).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	17	292	−4	402	258
Shell Transport	25p	13	394	+6	462	332
BATs Defd.	25p	14	208	—	225	181
Beecham	25p	11	320	−3	390	289
BP	£1	10	668	+4	690	537
GKN	£1	9	228	−6	369	203
Coats Patons	25p	8	50	+3	70½	41½
EMI	50p	8	197	−1	277	173
Unilever	25p	8	392	−10	500	346
Boots	25p	7	92	−2	148	79
Chloride	25p	7	77	−10	116	72
Courtaulds	25p	7	75½	−1½	180	73
GEC	25p	7	133	−1	168	112
Glaxo	50p	7	347	−6	422	280
GUS 'A'	25p	7	142	−2	224	123

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 9	Nov. 22	Feb. 10	Feb. 22
Nov. 23	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22

Calls were dealt in Lonrho, Charterhall Finance, Hawthorn Leslie, National Westminster Bank, MEPC, Norwest Holst and Vickers. Puts were done in Beecham, Tube Investments, ICI and Glaxo, while doubles were arranged in EMI, Rio Tinto-Zinc, Intereuropean Properties, Shell Transport, Glaxo, ICI and Beecham. Short-dated puts were done in Beecham, Glaxo, Tube Investments and ICI, while doubles were arranged in Rio Tinto-Zinc, Shell Transport, Glaxo and ICI. A call was dealt in National Westminster Bank.

Industrials							
		E.M.I.	17	Midland Bank	22	Cap. Counties	5
		Fitch Lovell	6	Nat'l West Bank	20	E.P.	8
A. Brew	8½	Gen. Accident	12	"Do" Warrants	7½	Int. Europe	7
A. P. Cement	15	Gen. Electric	13	P & O Dfd.	11	Land Securities	14
Assoc. Leisure	5	Glaxo	35	Plessey	7	MEPC	7
BSR	9	Grand Met.	7	R.H.M.	5	Peachey	6
Babcocks	8	G.U.S. 'A'	16	Rank Org. 'A'	18	Samuel Props.	4½
Barclays Bank	22	Guardian	18	Reed Int'l	25	Town & City	2½
Berry Wiggins	5	G.K.N.	26	Reyrolle	11		
Beecham	28	Hawker Sidd.	35	Rothmans	4	Oils	
Boots Drug	12	House of Fraser	8	Slater Walker	4	Brit. Petroleum	40
Bowaters	16	I.C.I.	20	Spillers	4	Burmah Oil	4½
B.A.T.	21	"Imps"	7	Tesco	4	Shell	27
British Leyland	5	I.C.L.	14	Thorn 'A'	22	Ultramar	14
BOC Intl.	8½	Inveresk	7	Trust Houses	9		
Brown (J.)	9	Legal & General	12	Tube Invest.	7	Mines	
Burton 'A'	8½	Ladbroke	11	Unilever	38	Charter Cons.	15
Cadburys	5	Lex Service	5½	Utd. Drapery	8	Chart'rhll Fin.	4
Cavenham	10	Lloyds Bank	22	Vickers	15	Cons Gold	16
Courtaulds	11	"Lots"	4	Williams Hud'n	4	Hampton Areas	12
Debenhams	8	London Brick	4½	Woolworths	6	Lonrho	19
Distillers	15	Lucas Inds.	20			Rio T. Zinc	18
Dunlop	7½	"Mams"	7	Property		Western M'ng.	7
Eagle Star	11	Marks & Sp'ncer	8	Brit. Land	5½		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (6)

HOTELS (1)

Epicure

INDUSTRIALS (1)

Whatman Reeve Angel

TRUSTS (1)

Camellia Invs.

MINES (3)

Metramar Kilinghall

Beralt Tin

NEW LOWS (11)

BANKS (1)

Wintrust

ELECTRICALS (1)

Plessey

FOODS (3)

Lovell (G. F.) Somportex

Pyke (W. J.)

HOTELS (1)

Leisure General

INDUSTRIALS (3)

Hall (Chas.) St. Gobain

Lamson Inds.

MOTORS (1)

Lotus Car

MINES (1)

Metals Exploration

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	54	1	6
Corpns. Dom. and Foreign Bonds	4	8	46
Industrials	231	398	1,106
Financial and Prop.	82	136	353
Oils	5	10	21
Plantation	5	8	25
Mines	43	42	40
Recent Issues	6	3	26
Totals	430	343	1,466

Broads boat revenue up

BLAKES of Wroxham, one of the biggest boat-letting agencies on the Broads, has announced that revenue from its hire companies has risen by more than 60 per cent. this year.

Some weeks, up to 25 per cent. of those holidaying on the Broads came from overseas.

BASE LENDING RATES

Allied Irish Banks ...
American Express B...
Anglo-Portuguese B...
Henry Ansbacher ...
Banco de Bilbao ...
Bank of Cyprus ...
Bank of N.S.W. ...
Banque du Rhone ...
Barclays Bank ...
Barnett Christie Lt...
Bremar Holdings ...
Brit. Bank of Mid. E...
■ Brown Shipley ...
Canada Permanent ...
Capitol C & C Fin. ...
Cayzer, Bowater Co...
Cedar Holdings ...
■ Charterhouse Japhet ...
C. E. Coates ...
Consolidated Credi...
Co-operative Bank ...
Corinthian Securiti...
Credit Lyonnais ...
G. R. Dawes ...
Duncan Lawrie ...
Eagil Trust ...
English Transcont. ...
First London Secs. ...
First Nat. Fin. Cor...
First Nat. Secs. Ltd ...
■ Antony Gibbs ...
Goode Durrant Tru...
Greyhound Guaran...
Grindlays Bank ...
■ Guinness Mahon ...
■ Hambros Bank ...
■ Hill Samuel ...
C. Hoare & Co. ...
Julian S. Hodge ...
Hongkong & Shan...
Industrial Bank of S...
Keyser Ullmann ...
Knowsley & Co. Ltd ...
Lloyds Bank ...
London & European ...
London Mercantile ...
Midland Bank ...
■ Samuel Montagu ...
■ Morgan Grenfell ...
National Westmin...
Norwich General T...
P. S. Refson & Co. ...
Rossminster Accep...
Royal Bk. Canada T...
Schlesinger Limited ...
E. S. Schwab ...
Security Trust Co. ...
Shenley Trust ...
Standard Chartered ...
Trade Development ...
Twentieth Century ...
United Bank of Kuw...
Whiteaway Laidlaw ...
Williams & Glyn's ...
Yorkshire Bank ...

■ Members of the Accepting Houses Committee.

* 7-day deposits 11½%, 1-month deposits ...

† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 11¾%, and over £25,000 ...

‡ Demand deposits 11½%.

¶ Call deposits over £1,000 ...

CORAL INDEX: Close 295-300

INSURANCE RATES

† Atlantic Assurance ...
Cannon Insurance ...
Address shown under Ins... Property Bond table.

MONEY MARKET

Interest rates firmer

Bank of England Minimum Lending rate 15 per cent. (since October 7, 1976)

Short-term fixed period interest rates were slightly firmer in the London money market yesterday. Discount houses buying rates for three-month Treasury bills increased to 14¼-14⅜ per cent. from 14⅛-14¼ per cent. This is very close to the critical level at which Bank of England Minimum Lending Rate is calculated, but market sentiment tended to suggest that a reduction in Minimum Lending Rate is unlikely this week.

Day-to-day credit was in short supply and the authorities gave moderate assistance by buying Treasury bills and local authority bills from the discount houses and banks.

Banks carried forward small surplus balances from Wednesday, Government disbursements exceeded revenue payments to the Exchequer, and a fall in the note circulation was also in the market's favour. On the other hand there was a net market take-up of Treasury bills, while the major adverse factor was applications for the new "tap" stocks.

Discount houses paid 14-14¼ per cent. for secured call loans in the early part, but rates eased to 13-13½ per cent. in places. Some balances may have been taken at as high as 15¼ per cent., but rates at the close were in the region of 13¼-14¼ per cent.

In the interbank market overnight loans opened at 14¾-15 per cent. and touched 15¼-15½ per cent., before falling to 13-13½ per cent. and closing at around 14 per cent.

Rates in the table below are nominal in some cases.

Nov. 11 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine Trade Bills ф
Overnight	—	13-15¼	—	—	—	14½-14¾	13-15¼	—	—	—
2 days notice	—	—	14¾-14⅞	—	—	—	—	—	—	—
7 days or 7 days notice	—	14⅞-15⅛	14⅞-15	—	14¾-15½	—	14⅛-14⅞	—	—	—
One month	14½-14⅜	14½-15	14⅞-15	15⅛-14½	14¾-15½	—	14⅛	14⅞-14¾	14⅞	15¼-15⅛
Two months	14⅜-14⅜	14⅜-14⅞	—	15-14½	14¾-15½	—	14½-14⅜	14¼	14⅞-14¾	15¼-15
Three months	14⅜-14½	14⅜-14⅜	14⅜	15-14½	14¾-15½	—	14¼	14¼-14⅜	14⅜-14¼	15¼-14⅞
Six months	14⅜-13⅞	13⅞-14	14¼-14½	15¼-13¾	14½-15¼	—	—	—	13⅞-13⅞	15¼-14⅞
Nine months	14-13⅞	13¾-13⅞	—	14½-14	14¾	—	—	—	—	—
One year	13⅞-13⅞	13⅝-13⅞	14⅛-14½	14½-14	14⅜	—	—	—	—	—
Two years	—	—	14½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 14¼-14½ per cent.; four years 14⅜-14½ per cent.; five years 14½-14⅝ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞-14 per cent.; four-month trade bills 15¼-14¾ per cent. Approximate selling rate for one-month Treasury bills 14⅛-14⅜ per cent.; two-month 14⅜-14¼ per cent.; and three-month 14¼-14⅝ per cent. Approximate selling rate for one-month bank bills 14⅜-14⅜ per cent.; two-month 14⅜-14¼ per cent.; and three-month 14⅜ per cent.; one-month trade bills 15⅛-15 per cent.; two-month 15⅛-14⅞ per cent., and also three-month 15⅛-14¾.

Finance House Rates (published by the Finance Houses Association): 14 per cent. from November 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 14.1942 per cent.

Port of Tyne dues up 12...

PORT OF TYNE Au... putting up its dues up by 12½ per cent. from J... to meet increased costs. The Authori... deficit of nearly £200,000 ... 1974-75 but is hoping t... a surplus this year.

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BR.

Capital Tst.	50.4	53.6xd	+1.0	6.72
Income Tst.	49.4	52.4	+0.8	8.97
Int. Growth Fd.	52.8	56.0	+1.0	4.12
Do. Accum.	52.8	56.0	+1.0	4.12

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking.

Friends Prov. Uts.	26.9	28.6xd	-0.1	6.73
Do. Accum.	29.4	31.4	-0.1	6.73

REGIONAL MARKETS

...tion of the share prices previously shown under regional headings is ... below with quotations on London. Irish issues, most of which are not ...sted in London, are shown separately and with prices as on the Irish ...

IRISH

Higsons Brew.	60	-2		Conv. 9% '80/82	£78	+½	
I.O.M. Stm. £1	125	......		Alliance Gas	46xd	......	
Holt (Jos.) 25p	182	......		Arnott	198	......	
Kleen-e-Ze	31	......		Carroll (P.J.)	95	+2	
Lovell's Ship £1	130	......		Clondalkin	55	......	
N'thn. Goldsmith	22	......		Concrete Prods.	40	......	
P.M.A.	26	......		Heiton (Hldgs.)	29	-2	
Pearce (C. H.)	85	......		Ind. News	35	......	
Peel Mills	11	......		Ins. Corp.	148½	......	
RobbCaledonSh.	57	-1		Irish Distillers	39	......	
Sayers 12½p	15	......		Irish Ropes	83	......	
Sheffield Brick	73	......		Jacob	45xd	......	
Sheff. Refrshmt.	138	......		Sunbeam	10	......	
Shiloh Spinn.	21	......		T.M.G.	66	......	
Sindall (Wm.)	49	......		Unidare	42	......	

...OD PRICE MOVEMENTS

	Nov. 11 £	Week ago £	Month ago £
...ish A.1 per ton†	1,025	1,025	1,025
...sh A.1 per ton†	965	965	965
... Special per ton†	965	965	965
...r A.1 per ton‡	960	960	960
(packet)			
...er 20 lbs†	9.31-9.86	9.31-9.66	9.24-9.39
...ish per cwt†	57.12	57.12	57.12
...sh salted per cwt†	58.20-60.93	58.20-60.93	56.40-60.48
...ish cheddar rindless			
...r tonne	990.11	990.11	990.11
...er tonne	896.50	896.50	896.50
...-prod. Standard	3.40-3.55	3.10-3.30	3.05-3.20
Large	3.60-3.70	3.30-3.50	3.20-3.50

	Nov. 10 per pound p p	Week ago per pound p p	Month ago per pound p p
...ish killed sides (ex ...CF)	47.0—50.0	46.0—49.0	48.0—52.0
forequarters	36.0—39.0	37.0—39.0	48.0—41.5
...sb	44.0—47.0	44.0—47.0	46.0—49.0
...L-PMs	45.0—47.0	43.5—47.0	43.0—46.0
...l weights)	30.0—39.0	30.0—39.0	30.0—39.0
...h ewes	—	—	—
...r chickens	29.5—32.0	31.0—32.9	29.0—32.0

...don Egg Exchange price per 120 eggs. Delivered. ...very November 13-20.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

World Wide Growth Management⊕
10a, Boulevard Royal, Luxembourg.

WorldWideGth Fd	$US11.20	-0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ⊕. §Guernsey yield. ‡Suspended. †Single premium insurance bonds. ◊Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101⅜	99⅛	Treasury 10½pc 1976	99[illegible]	−[illegible]	10.55	12.96
98[illegible]	95[illegible]	Treasury 6½pc 1977	97[illegible]	−[illegible]	6.30	[illegible]65
97¾	94½	Electric 3pc 74-77	97¼	−⅛	3.09	11.86
103[illegible]	97[illegible]	Treasury 11½pc 1977	98[illegible]	−[illegible]	11.71	13.68
95⅝	91⅞	Treasury 3pc 1977	93[illegible]	−[illegible]	3.20	[illegible].59
95⅝	92¼	Transport 4pc 72-77	93[illegible]	−[illegible]	4.2[illegible]	10.22
99[illegible]	90½	Treasury 9pc 1978	95[illegible]	−¼	9.35	[illegible]3.01
101½	93⅝	Treasury 10¾pc 1978	95[illegible]	−[illegible]	11.00	13.53
93¾	89⅝	Exch 5pc 76-78	90[illegible]	−[illegible]	5.55	10.95
103[illegible]	92[illegible]	Treasury 11½pc 1979	94[illegible]	−[illegible]	12.19	14.45
98¾	92[illegible]	Treas. 11½pc 79 'A'	94¼	−[illegible]	12.20	14.47
88⅞	82¼	Treasury 3pc 1979	83[illegible]	−[illegible]	3.64	10.39
89¾	82¼	Electric 4½pc 74-79	83¾	−[illegible]	5.10	11.16
100[illegible]	88⅞	Treasury 10½pc 1979	90[illegible]	−[illegible]	11.55	14.37
88¾	82¼	Electric 3½pc 76-79	82[illegible]	−[illegible]	4.25	10.48
96[illegible]	84½	Treasury 9pc 1980	85[illegible]	−[illegible]	10.48	14.51
96½	84[illegible]	Treasury 9½pc 1980	86¼	−[illegible]	11.07	14.68
86	78¼	Treasury 3½pc 77-80	79[illegible]	−¼	4.32	10.64
89½	80	Funding 5½pc 78-80	81[illegible]	−⅛	6.47	11.85
103[illegible]	88½	Treasury 11½pc 1981	90¼	−[illegible]	12.74	14.66
86	76¼	Treasury 3½pc 1979-81	77	−[illegible]	4.55	10.38
95⅝	82[illegible]	Treasury 9½pc 1981	84[illegible]	−[illegible]	11.[illegible]	14.52
		Five to Fifteen Years				
[illegible]	79[illegible]	Treasury 8½pc 80-82	82[illegible]	−[illegible]	10.71	14.25
70⅝	69[illegible]	Treasury 3pc 1982	70[illegible]		4.2[illegible]	10.61
		Treasury 14pc 1982	£96¼		14.[illegible]	14.49
107¾	88[illegible]	Treasury 12pc 1983	91[illegible]	−[illegible]	13.41	14.64
81⅛	69[illegible]	Funding 5½pc 82-84	71	−[illegible]	7.95	12.01
87⅝	74[illegible]	Treasury 8½pc 84-86	75[illegible]	−[illegible]	11.49	13.37
74[illegible]	60⅛	Funding 6½pc 85-87	62[illegible]	−[illegible]	10.50	13.36
77[illegible]	65⅛	Treasury 7¾pc 85-88	67[illegible]	−[illegible]	11.93	14.03
51¼	44[illegible]	Transport 3pc 78-88	46[illegible]	−[illegible]	6.65	11.74
57[illegible]	48	Treasury 5pc 86-89	49[illegible]	−[illegible]	10.15	13.34
103¾	87¾	Treasury 13pc 1990	90[illegible]	−[illegible]	15.[illegible]	15.45
75[illegible]	61[illegible]	Treasury 8¼pc 87-90	61[illegible]	−[illegible]	13.[illegible]	14.69

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 37¾% (based on $US1.6267 per £)

Conversion factor 0.7372 (0.7287)

هكذا في الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
710	250	Blyvoor 25	395	−5	Q75c	1.6	13.7
£14	440	Buffels R1	750	.....	Q125c	1.6	12.1
•140	70	Deelkraal R0.20	96	−2	—	—	—
760	125	Doornfontein R1	300	−15	Q55c	2.2	13.3
965	330	East Drie R1	680	−15	Q75c	1.7	8.0
280	122	Elandsrand Gld. 20c	165	−5	—	—	—
190	44	Elsburg R1	106	−4	‡Q33.8c	1.0	‡
£16½	520	Hartebeest R1	£11	−½	Q190c	1.3	12.5
695	260	Kloof Gold R1	435	+10	Q47c	1.5	7.8
760	140	Libanon R1	320	−10	Q80c	2.0	18.1
740	230	Southvaal 50c	390	.....	Q6c	1.3	1.5
245	92	Stilfontein 50c	149	−3	‡Q36c	2.2	‡
£20¾	700	Vaal Reefs 50c	£10⅞	−⅛	‡Q175c	2.1	‡
420	48	Venterspost R1	175	−10	Q25c	3.6	10.3
£35	£11¼	W. Drie R1	£20¼	+¼	Q335c	1.5	12.0
315	68	Western Areas R1	175	−5	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	830	+15	‡Q140c	1.6	‡
290	100	Zandpan R1	178	−2	Q31½c	1.0	12.7

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
170	60	Free State Dev. 50c	100	.....	Q9c	0.6	6.5
£22½	715	F.S. Geduld 50c	£11½	.....	Q200c	ϕ	12.6
200	50	F.S. Saaiplaas R1	100	−10	6c	2.6	4.3
465	170	Harmony 50c	290	−10	‡Q65c	1.9	‡
195	38	Loraine R1	92	−2	Q6c	0.5	4.7
£18½	675	Pres. Brand 50c	975	−25	Q170c	ϕ	12.6
£13	395	Pres. Steyn 50c	730	+15	Q45c	ϕ	4.5
£23¼	750	St. Helena R1	£11⅞	−⅛	Q170c	ϕ	10.4
174	70	Unisel	142	.....	—	—	—
330	125	Welkom 50c	215	−10	Q15c	ϕ	5.0
£25½	950	W. Holdings 50c	£15	.....	Q310c	ϕ	15.0

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
535	315	Ang. Am. Coal 50c	420	+5	MQ38c	2.8	6.5
375	185	Ang. Amer. 10c	248	−4	Q33c	1.9	9.6
£28¾	£10½	Ang. Am. Gold R1	£16¼	+¼	‡Q260c	1.3	‡
£13¾	800	Ang-Vaal 50c	950	+50	Q105c	3.3	8.2
199	101	Charter Cons.	121	−3	6.76	2.4	8.6
220	113	Cons. Gold Fields	143	−4	7.37	2.1	7.9
23½	13	East Rand Con. 10p	14	.....	1.0	2.2	11.0
330	150	Geduld Inv. R1	240xd	.....	Q40c	1.5	12.1
£25	£12¾	Gen. Mining R2	£14½	+¼	Q210c	2.1	10.5
£20⅝	10	Gold Fields S.A. 25c	£12	−½	Q155c	1.2	9.3
£24	£11½	Jo'burg Cons. R2	£15	.....	Q170c	2.2	8.2
380	195	Middle Wit 25c	215	−10	Q35c	1.2	11.8
250	160	Minorco SBD1.40	172	−2	Q2c	0.7	0.7
160	56	New Wit 50c	100	.....	Q18c	1.0	13.0
£14⅝	770	Patino NV Fls.5	£12⅞	.....	QC65c	0.8	3.3
810	310	Rand Selection 50c	450	.....	‡Q75c	1.5	‡
543	355	Selection Trust	385	−3	15.2	1.5	6.1
230	98	Sentrust 10c	140	+2	Q30c	1.4	15.5
66	29½	Silvermines 2½p	32xd	.....	3.0	1.6	14.4
£12½	700	Tvaal Cons. Ld. R1	975	+25	Q75c	ϕ	5.7
310	110	U.C. Invest R1	160	.....	‡Q36c	1.0	‡
465	175	Union Corpn. 62½c	253	+3	‡Q36c	1.4	10.3
90	45	Vogels 2½c	73	.....	‡Q6½c	1.2	6.4

DIAMOND AND PLATINUM

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£32½	£17½	Anglo-Am. Inv. 50c	£20¼	−¼	‡Q244c	1.6	8.7
122	68	Bishopsgate Plt. 10c	80	+2	Q8.0c	ϕ	7.2
335	187	De Beers Df. 5c	201	.....	Q28c	2.2	10.1
£14	850	Do. 40pc Pf. R5	900	.....	Q200c	18.0	16.1
128	68	Lydenburg 12½c	79	+3	Q7.2c	ϕ	6.6
123	93	Rus. Plat. 10c	106	+3	gQ5c	—	3.4

CENTRAL AFRICAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
165	53	Coronation 25c	62	−4	‡Q34c	2.1	‡
130	68	Falcon Rh.50c	92	−3	Q35c	ϕ	—
25	9	Rhod'n Corp. 16⅔p	12	.....	0.56	6.0	7.2
195	120	Roan Cons. K4	130	+5	—	—	—
178	140	Tanganyika 50p	154	−2	Q10.0	0.8	6.7
70	65	Do. Pref. 80p	70	.....	Q9	10.2	10.7
54	25	Wankie Col. Rh.1	42	+2	Q7½c	ϕ	12.9
46	16	Zam.Cpr.SBD0.24	16	.....	—	—	—

AUSTRALIAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
33	18	Aemex 25c	22	..	—	—	—
323	132	A. M. and S. 50c	230	+2	ϕ†Q7c	1.5	2.4
165	96	Bougainville 50 Toea	121	+2	Q10c	ϕ	6.5
235	120	BH South 50c	125	+5	—	—	—
75	15	G.M. Kalgoorlie $1	20		—	—	—
106	58	Hampton Areas 5p	78	−2	1.3	5.0	2.6
86	36	Metals Ex. 50c	36	−2	—	—	—
24	12	Metramar 20c	24	+4	—	—	—
294	200	M.I.M. Hldgs. 50c	212	+4	Q4½c	1.8	1.6
105	25	Mount Lyell 25c	30	..	—	—	—
3	2	Newmetal 10c	2½	.....	—	—	—
226	138	North B. Hill $1	198	+3	Q9c	1.3	3.5
9	5	Nth. Kalgurli	6	.....	—	—	—
112	65	Oakbridge $A1	95	.....	Q9c	1.5	7.5
36	24	Pacific Copper 25c	22	.....	—	—	—
£19½	725	Pancont'l 25c	900	+75	—	—	—
17	9	Paringa M&Ex. 5p	9		—	—	—
492	345	Peko-Wallsend 50c	415xc	+55	Q15c	ϕ	2.8
300	60	Poseidon 20c	75#	.....	—	—	—
13	6	Vultan Min. 50c	6	.....	—	—	—
9	4	Westmex 10c	5	.....	—	—	—
•199	127	Westn. Mining 50c	155	+1	Q5c	1.3	2.5
75	36	Whim Creek 20c	55	.....	—	—	—

TINS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
45	28	Amal. Nigeria	32	.....	0.93	0.9	4.5
340	160	Ayer Hitam $M1	330	+3	23.0	ϕ	10.7
32½	17	Beralt Tin	32½	+2½	24.0	2.8	20.9
415	315	Berjuntai $M0.5	390	+5	QSM1.5	ϕ	9.5
18	12	Ex Lands 10p	12	.....	1.0	1.7	12.8
265	155	Geevor	225	+5	5.0	—	3.4
14	6	Gold & Base 12½p	9	.....	—	—	—
250	170	Gopeng Cons.	235xd	+12	†11.0	1.3	7.2
80	64	Hongkong	72	.....	—	—	—
70	56	Idris 10p	60	.....	7.15	1.5	19.3
7½	6	Jantar 12½p	6	.....	—	—	—
42	31	Kamunting 15p	37	+1	‡7.0	1.2	‡
260	135	Killinghall	260	+5	Q50.0	1.2	19.2
240	168	Malay Dredging	225	+13	11.0	ϕ	7.8
38	20	ΔPahang	27#	.....	‡Qh2.6	ϕ	‡
55	40	Pengkalen 10p	48xd	.....	‡7.0	1.5	‡
135	104	Petaling $M1	135	.....	Q12½c	—	2.3
46	19	Saint Piran	40	+2	1.25	2.5	4.8
100	64	South Kinta (10p)	75	+5	7.5	0.6	15.4
200	105	Sthn. Malayan	185	+8	11.8	ϕ	10.3
46	31	Sungei Besi $M1	43	+3	—	—	—
42	29	Sungei Way $M1	42	.....	ZQ10	—	5.9
48	40	Tanjong 15p	40	.....	4.64	0.9	17.8
52	40	Tongkah Hrbr. $M1	42	.....	‡Q23%	0.6	‡
110	58	Tronoh $M1	103	+5	†4.29	2.0	6.4

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
85	35	Botswana RST R2	45	.....	—	—	—
335	155	Messina R0.50	170	.....	†Q35c	1.9	14.9

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
10	8	Burma Mines 17½p	9	.....	0.1	ϕ	1.8
35½	15½	Charterhall 5p	19	.....	—	—	—
990	550	Cons. Murch. 10c	610	+30	†Q80c	1.8	9.5
350	245	Northgate C$1	320	.....	—	—	—
239	132	R.T.Z.	151xd	−2	g5.96	2.1	6.1
112	67	Sabina Inds. C$1	75	+3	—	—	—
£15⅞	£10	Tara Exptn. $1	£12⅞	−⅛	—	—	—
45	32½	Tehidy Minerals 10p	38	.....	†h1.08	ϕ	4.4
145	84	Yukon Cons. C$1	117	−2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend: cover, based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 26

FINANCIAL TIMES
Friday November 12 1976

Output may be rising again, but slower than forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRIAL output may be starting to rise again, although at a much slower rate than forecast in July by the Government.

A slight pick-up in production after the summer setback is tentatively suggested by the industrial output index for September published yesterday which shows a rise of nearly 1½ per cent. to 102.3 (1970=100).

A large part of the rise in September is merely a recovery from the artificially low August figure which was affected by industrial disputes and the changed holiday pattern. Over the last three months industrial production is still nearly ½ per cent. below the level in the second quarter.

Consequently, the Central Statistical Office said yesterday that the underlying level of industrial output probably had changed little in recent months.

Although there is no doubt that the index is extremely difficult to interpret now because of its erratic month-to-month movements and uncertainties about the state of the economy, it is possible that the office may be taking an unduly cautious view.

The Confederation of British Industry suggested in its economic situation report last week that the pause in the growth of industrial activity might be only temporary, although growth from now on would not be particularly rapid. It said the pause during the summer could be the result of the combined effects of the hot summer and the ending of the benefits from the turnround from heavy destocking which were felt in the earlier part of the year.

Year's highest

The September index is the first for several months not to have been affected by the hot weather and drought, the changed holiday pattern and by industrial disputes, and so is regarded as providing a rather clearer guide to what is happening.

The index also is the highest this year, apart from the abnormal May figure, and this also suggests the possibility that expansion may have resumed. But no-one in Whitehall is prepared to draw conclusions about future trends.

However, the National Income Forecasts completed within the Treasury at the end of last month are understood to project a slower rate of growth in manufacturing output than the annual rise of 8½ per cent. over the 18 months to the end of 1977 projected by the Government in July. It is possible that an increase of between 5 and 6 per cent. may be indicated for the period.

The future rate of growth will depend considerably on the impact of any measures which the Government may decide to take within the next month.

The analysis by broad market sectors shows that over the last three months the output of consumer goods industries rose by 1 per cent. compared with the previous quarter, while that of investment and intermediate goods industries fell by nearly 1½ and 1 per cent. respectively.

On a longer-term comparison, the all-industries index in the last three months was nearly 2½ per cent. higher than in the same period a year ago, while the corresponding rise for manufacturing production was nearly 3½ per cent.

INDUSTRIAL PRODUCTION
1970=100
Seasonally adjusted

		All Industries	Total Manufacturing
1975	1st	104.4	105.9
	2nd	100.1	100.4
	3rd	99.4	99.5
	4th	100.3	100.0
1976	1st	101.5	101.5
	2nd	102.0	103.1
	3rd	101.7	102.8
	April	102.0	102.8
	May	104.0	105.7
	June	100.1	100.7
	July	101.8	103.3
	Aug.	100.8	101.9
	Sept.	102.3	103.3

Source: Central Statistical Office

Loan team sees unions and CBI

By Adrian Hamilton and Peter Riddell

THE INTERNATIONAL Monetary Fund team in London has taken the unusual step of seeing two non-Governmental bodies—the TUC and CBI—to discuss separately their views on wage restraint, industrial growth and future economic policy.

The meetings, earlier this week, appear to have been at the initiative of Mr. Denis Healey, the Chancellor of the Exchequer, although the Government representatives did not attend them.

While none of the parties would comment on the talks yesterday, the fact that the IMF has taken this unexpected step is a sign of the importance with which the attitudes of the CBI and the TUC are regarded by both the Fund and the Government.

Mr. Healey told the House of Commons yesterday that he expected discussions with the IMF team to take about a "fortnight or so." It is understood that till now the team has been involved solely in examining the books and discussing projections and that full negotiations on the terms are unlikely to start until next week.

The subsequent timetable is not yet clear, as the team has to report back to Washington. But it is likely that the suggested conditions for the loan will be clear in time for the Cabinet to reach a decision on a package about the end of the month. Possible dates for an announcement include the week in which December starts and the following week.

The IMF's meetings with the CBI and the TUC are thought to have been brief and concerned largely with asking the two bodies their views.

In encouraging this step, the Government has been particularly anxious to convince the IMF of the correctness of its broad policies on industrial growth and wage restraint, and has been keen to avoid being pressed by the Fund into drastic measures which might damage the chances of their success.

The TUC and CBI have expressed strong views of their own on the future course of Government policy, the unions in favour of import controls and the CBI for public expenditure cuts.

Both bodies have given strong support to the policies of voluntary wage restraint and priority to industry: and both, to a degree, are anxious that any Government package at this stage should not have too harsh an impact on domestic demand, employment or inflation rates

THE LEX COLUMN

Chloride comes back for more

Index fell 3.3 to 299.4

Minimum Lending Rate will be hovering on the brink of a quarter-point fall to-day, but the money market was tending last night to think it will stay unchanged. However the authorities must be looking for a way of attracting money into the new gilt-edged tap stocks ahead of the banking make-up day next Wednesday: subscriptions yesterday were probably under £200m., almost all for the 1982 stock.

Chloride

Chloride's £16.7m. rights issue will raise a few eyebrows, since it was only two years ago—in the depths of the last bear market—that it raised £7.3m. of new equity. But the move is consistent with the Board's publicly stated policy, which is that total borrowings should normally represent between 75 and 80 per cent. of shareholders' funds.

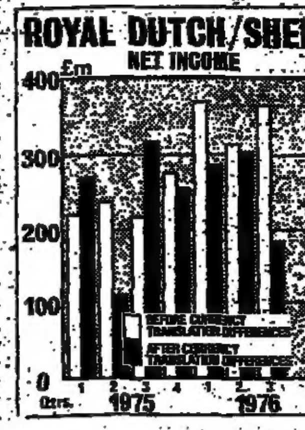
Cash flow this year is likely to run a little short of spending on fixed assets and acquisitions, while the rise in lead prices together with currency changes could push debt up by over £20m. On that basis year end gearing would have been 80-85 per cent. without the issue. That would not in itself make this funding necessary, and nor does a technical breach that has occurred temporarily in the security of the debenture stock. But Chloride is an ambitious company, with all kinds of expansion targets. It was advised that it would have been "premature" to make an issue earlier this year, and it feared that the money might not have been forthcoming in 1977. Hence the timing.

Chloride maintains that a rapidly expanding company should be expected to make periodic calls on its shareholders during a period of inflation. This may be fair enough—but its interim figures in themselves do not provide much scope for this kind of enthusiasm. Profits emerge at £10.2m. compared with a depressed £7.3m. a year earlier, and acquisitions together with currency changes explain £1.7m. of the increase. However the shares fell a full 10p to 77p yesterday, where they seem to be adequately supported by an ex rights yield of 9½ per cent., and by the prospect of profits growth of perhaps a third this year.

Dunford & Elliott

At this admittedly early stage, the institutions' motives in the Dunford and Elliott affair are difficult to understand. Last night, Dunford confirmed that a number of its institutional shareholders together with Equity Capital for Industry and Finance for Industry are to underwrite a £3m. issue of 10 per cent. preference, convertible into the ordinary at 35p. Although the share price has doubled to 26p recently, Dunford is still capitalised at just £2¼m., and the new shares will only represent 45 per cent. of the enlarged equity.

Johnson and Firth Brown is convinced that the institutions are not opposed to its takeover offer, and are only attempting to keep the alternatives open. The unsettling feature, however, is that until the bid appeared, the institutions were offering much less attractive terms than the NEB. Is the ECI now prepared to be less commercial than the NEB? And what is Finance for Industry, which is supposed to be a provider of debt, doing in a scheme like this? Are arms being twisted?



Royal Dutch/Shell

Underlying patterns at Royal Dutch/Shell were encouraging in the third quarter with volume showing a more favourable trend, margins improving and net income—before translation differences—up two-fifths on the same quarter of 1975 at £363m. But because of the dip in sterling towards the end of the three months the U.S. accounting standard FASB 8 has continued to reduce reported net income which was only £185m. After nine months the rise is 11 per cent. to £772m. on the FASB 8 basis—the subject, Shell complains, of "widespread dissatisfaction"—or 39 per cent. to £1,046m. on a more traditional calculation.

Oil products volume outside North America rose 6 per cent. in the third quarter after a slight fall in the first six months, with Germany especially firm. Refinery utilisation improved to 74 per cent. against 68 per cent. a year earlier. A feature was the unseasonal rise in fuel oil volume, partly reflecting the effect of the European drought on output of hydroelectricity. The strength of Continental currencies against the dollar has helped margins, though the U.K. has been correspondingly difficult. The stage is set for a good final quarter of 1976; final reported net income could be around £1,300m. for a p/e of under 4½ on Shell Transport at 394p, up 6p.

Boots

Something like a third of Boots' first-half profits gain of £6.9m. to £37.7m. pre-tax has arisen outside the U.K., including exports. And between them exchange profits and a rise in interest received account for almost a fifth of the overall upturn. But the underlying trends are healthy enough with manufacturing moving well and retail sales volume since September continuing to grow at 5 per cent. So Boots remains on target for profits overall of about £90m. despite the possibility of yet another biggish pensions top up this year.

In the U.K. there are still pressures on gross margins but the net have been held for the half-year; the growth in the wage bill is slowing down markedly in 1976-77 and Boots reckons that cost increases are now beginning to fall behind the growth in turnover. The company has had a good summer and pre-Christmas trends are hopeful; by next March selling space will have risen 9 per cent. The new drugs are also propelling manufacturing along with the anti-rheumatic Brufen accounting for around a sixth of total non-retail sales.

The shares are a sixth above their low for the year but at 92p a prospective p/e and yield of, respectively, 7½ and 4½ per cent. have no obvious attractions in current markets. However Boots' cash balances provide an interest. By the year end these, net of overdrafts, could represent a sixth of the current £324m. market capitalisation.

Chloride to raise £16.7m.

By Keith Lewis, City Staff

CHLORIDE, the U.K.'s largest manufacturer of rechargeable batteries, is raising £16.7m. by rights issue—the second time in two years that the group has asked its shareholders for more capital.

In November, 1974, which coincided with virtually the bottom of the last bear market, Chloride raised £7m—an issue that was left 65 per cent. with underwriters Samuel Montagu. The underwritten price on that occasion was 40p.

The terms of the latest issue are two new shares for every seven held, at a price of 62p. The underwriting is again in the hands of merchant bankers Samuel Montagu. Brokers to the issue are Cazenove.

The news clipped 10p off the share price yesterday to 77p, the same level at which the shares started the month. In July, the price reached this year's peak of 116p.

Chloride, under the chairmanship of Mr. Michael Edwardes, has consistently maintained a high level of investment during times of recession.

Borrowings

Over the past four years, the group has spent £30m. on acquisitions alone. Its capital expenditure programme in 1975-1976 amounted to £11.8m. and a "considerably higher" figure is envisaged for the current financial year.

Borrowings have mounted steadily and risen by £12.6m. since March 31 this year to £56.3m., of which £43.7m. is represented by overseas debt.

The purpose of the latest fund-raising operation is to strengthen the U.K. equity base.

Chloride's latest half-year figures show pre-tax profits of £10.2m., an increase over the corresponding period of almost 40 per cent.

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Jack Jones acts quickly to cool dockers' anger

BY ROY ROGERS, LABOUR CORRESPONDENT

MR. JACK JONES, general secretary of the Transport and General Workers Union, acted swiftly yesterday to try to prevent dockers' frustration over setbacks to the Dockwork Regulation Bill from spilling over into industrial action.

Reacting quickly to news that one of his lay docks delegates was warning of the "grave possibility" of a national docks strike if the five-mile corridor was not implemented, Mr. Jones put out a rushed statement.

It stated categorically that the TGWU, which represents the majority of dockers, is "most definitely not threatening a dock strike."

Describing the rejection of certain aspects of the Dockwork Regulation Bill as "very disappointing" moves that would not improve the industry's labour relations, Mr. Jones said his union would do all it could through constitutional means to retrieve the position.

He was confident that the Government would take all possible steps to overcome these difficulties.

This view was echoed by Mr. Len Murray, TUC general secretary, who said he was sure the Government would wish to correct the situation as quickly as possible.

He was "disturbed" by the action of the two Labour MPs who abstained in the crucial vote. But he did not agree with the miners' leader, Mr. Joe Gormley, who had suggested earlier that perhaps the Government should go to the country with a view to winning a workable majority.

Dockers have traditionally been the most difficult area of the TGWU in terms of abiding by headquarters decisions. Early last year, London dockers staged unofficial strike action over their demands for more container work.

During that dispute, Mr. Jones, a former docker himself, was howled down at a meeting for instructing them to call off the action.

It now remains to be seen whether Mr. Jones and his docks officials can contain the situations should any fresh unofficial action emerge from meetings to be held throughout the port over the next few days.

Booth in Labour row on dock Bill

BY RUPERT CORNWELL

AN UNREPENTANT Mr. Brian Walden, one of the two Labour MPs who effectively scuttled the controversial dock work Bill, clashed bitterly last night with Mr. Albert Booth, Employment Secretary, over his behaviour during Wednesday's vital divisions.

The exchanges came at a meeting of the Parliamentary Labour Party, which provided proof, if any were needed, of the strong feelings over the role of Mr. Walden and his fellow moderate, Mr. John Mackintosh, (Berwick) in the Government defeat. Mr. Walden asserted that he would act the same way again if he thought it necessary. Many MPs had been less than enthusiastic about the Bill but, amid cries of "nonsense," he insisted that the party did not listen to people of his views.

Pointing to the disastrous by-election results of Walsall and Workington, he said that Labour was now a coalition which had ceased to function.

A few moments earlier, Mr. Booth had accused the two renegades of "ignoring even the elementary courtesy" of letting him know how they felt—despite the scrupulous care taken over consulting MPs and other interested parties at all stages of the Bill.

"I was always accessible for discussions," he told the Parliamentary party. "These abstentions came as a surprise to all of us."

Mr. Walden, however, asked sarcastically just what was the value of such discussions. "I have disagreed with the Chancellor of the Exchequer before. We have had talks but to what effect?"

Just how to discipline the rebels is almost as thorny a problem for the Government as to decide how to rescue what is left of the Bill.

Yesterday, both were given a sharp dressing down from Mr. Michael Cocks, Chief Whip, but, as everyone points out, any further sanctions might just make matters still more fraught for the Government.

The Employment Secretary repeated the position taken by senior Ministers yesterday, that the Cabinet was not giving up and that legislation "appropriate for a modern dockland" would be presented to Parliament.

Continued from Page 1

Recessions

higher than anticipated. The stimulus from stock-building has petered out and there is said to be not much sign of export or investment-led growth.

There can be no dispute that world recovery has been below expectations. The argument at international gatherings will be about causes of the setback and whether it is possible to engage in sufficiently delicate international fine-tuning to put countries back on the desired path.

The OECD forecasts will underline the dangers of the 15 per cent. oil price increase for which the Shah of Iran has asked and will reinforce the more moderate views expressed by Saudi Arabia, the biggest producer.

Muted response for gilts issue, prices slip back

BY MICHAEL BLANDEN

THE ISSUE of £1.2bn. of new Government stocks brought a muted response from the public yesterday as prices in the gilt-edged market slipped back.

It was thought that the authorities might have sold some of the new 1982 stock, of which £600m. was on offer yesterday with market estimates suggesting that applications of £100m. to £200m. had been subscribed by the public.

But the new long stock, the £600m. of 15¼ per cent. Treasury 1996, appeared to have attracted no significant outside interest.

This means that the remaining stock was taken up by the authorities as normal to be sold on "tap" when circumstances allowed.

Continued from Page 1

Loan extension possible

reject the suggestion that to extend the loan would be any sort of ploy, and believe that the IMF is going to need more time than the December 9 deadline allows to do its job properly.

According to this argument, a decision to extend the swap agreement for perhaps another six weeks would not only make the IMF's task a little easier, but much more important, it would be taken as a sign that other nations remained interested in aiding Britain if a suitable way could be found.

There has already been considerable discussion inside the Fund about what the negotiating team should be examining.

Before it left, apparently there was pressure from some very senior IMF staff that the negotiators should try to get Britain to agree to firm overall wage targets for the next two years.

This is now understood to have been abandoned, at least for the moment.

The Fund is clearly very concerned about future wages policy, but it is now also more aware of the political difficulties that would face the Government if it tried to set wage targets before new talks with the TUC.

The team is said to be concentrating largely on targets for monetary aggregates and especially on the size of the public sector deficit and possible, though so far unspecified, alternative ways of financing it.

It is understood that some public spending cuts may be inevitable as part of whatever package is finally worked out. But the Fund is well aware of the need to tread cautiously because of the delicate political and economic situation in Britain.

Indeed, there is considerable sympathy for, and good will towards Britain both within the Fund and elsewere. However, this is tempered by some confusion about the real intention of the British Government.

It is clear that there is not much chance of Britain receiving another loan of the kind made in June, which was, in effect unconditional.

But sources here believe that if leading industrial nations were at least willing to talk about the balances at the time a new IMF credit is announced, this could have a marked effect on the stability of sterling.

Another reason why the Fund would like more time before completing its package is that it has still to decide on a workable system of performance clauses.

It is almost certain that the IMF will decide to offer its loan in tranches and that each of these will only be released if Britain is meeting whatever targets have been agreed.

Monopoly inquiry into BP-Century plan

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH PETROLEUM'S £4.2m. bid for Century Oils has been referred to the Monopolies and Mergers Commission. But it said last night that it remained interested in the independent lubricants group.

"The reference makes no difference to BP's view that the merger makes good sense. For technical reasons the offer has lapsed, but we have not left the field."

The offer was conditional on the bid not being referred to the Commission, but the comments indicate that BP could renew its interest once the Monopolies Commission has reported.

Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, has asked for a report within six months. He decided to call in the Commission on the grounds that Century has total assets in excess of £5m., one of the criteria for referral.

It is thought that the Commission will pay close attention to four particular aspects of the proposed takeover. It will want to evaluate the possible effect on the competitiveness of the lubricants business; it might be argued, for instance, that the presence of a significant independent group among the major oil companies stimulates competition.

Secondly, the Commission will probably look at certain specialist lubricants where BP, through its own brand and Alexander Duckham interests, and Century account for a sizeable share of the market.

Thirdly, it will evaluate in particular BP's willingness to supply a full range of low-volume specialist products. Finally, the investigation is likely to touch on the possible conflict of interest between BP's primary refining business and Century's waste re-refining interests.

BP has said that it sees Century, with its annual turnover of £14m., mainly coming from industrial lubricants, as a complementary business to Duckham, which was acquired in 1970. Duckham is stronger in motor lubricants.

Although BP has stressed that it would maintain Century's autonomy and independence, the bid inevitably developed into a David and Goliath battle.

Mr. Charles Mitchell, chairman and managing director of Century, commented: "Our objective remains the same. We will continue to fight to remain independent and to justify this situation through our performance. We are gratified that the independent position which this company holds in the industry has been recognised. Our position as an independent is important in this industry which is becoming dominated by multinational oil companies."

BP offered 50p cash for each Century Ordinary share. Century shares fell 11p to 44p following news of the Monopolies reference. BP shares rose 4p to 668p, however.

Weather

U.K. TO-DAY

MAINLY dry, bright spells. Showers around coasts. Fog and frost.

London, E. Anglia, E., N.E., N.W. and Cent. England, Midlands
Mainly dry bright periods. Fog early and late. Wind variable, light. Max. 9C (48F).

S.E. England, Channel Is.
Sunny periods, scattered showers. Wind N.E., light. Max. 10-11C (50-52F).

S.W. England, Wales, Lakes, Isle of Man, Borders, S.W. Scotland, Glasgow, N. Ireland
Mainly dry, sunny periods. Fog inland. Wind variable, light. Max. 10C (50F).

Edinburgh, Dundee, Aberdeen, Moray Firth, Cent. Highlands, N.E. Scotland, Orkney, Shetland
Bright spells, showers. Wind N.E., light or moderate. Max. 8C (46F).

Argyll, N.W. Scotland
Mainly dry, sunny spells. Wind N.E., light. Max. 9C (48F).

Outlook—Mainly dry, sunny periods.

Lighting-up: London 16.46, Manchester 16.47, Glasgow 16.46, Belfast 16.58.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	F	25	77	Manchester	S	7	45
Amsterdam	F	10	50	Melbourne	C	25	77
Athens	C	18	64	Mexico C.	S	19	66
Barcelona	F	16	61	Milan	C	9	48
Belfast	S	6	43	Montreal	C	4	39
Belgrade	S	17	63	Moscow	C	0	32
Berlin	C	8	46	Munich	F	10	50
Birm'ham	F	7	45	Newcastle	F	6	43
Bristol	C	9	48	New York	S	5	41
Brussels	F	10	50	Oslo	C	5	41
Budapest	F	10	50	Paris	S	9	48
B. Aires	C	20	68	Perth	C	19	66
Cairo	S	26	79	Prague	C	7	45
Cardiff	C	9	48	Reykjavik	R	5	41
Cologne	R	10	50	Rio de J'o	S	26	79
Copenhgn	R	9	48	Rome	F	19	66
Dublin	S	8	46	Singapore	C	30	86
Edinburgh	C	4	39	Stockholm	C	8	46
Geneva	F	10	50	Strasbourg	R	9	48
Glasgow	F	7	45	Sydney	S	27	81
Helsinki	C	3	37	Tehran	C	13	55
Hong Kong	S	23	73	Tel Aviv	S	23	73
Jo'burg	S	21	70	Tokyo	R	13	55
Lisbon	R	13	55	Toronto	S	4	39
London	F	10	50	Vienna	F	14	57
Luxemb'g	C	7	45	Warsaw	S	12	54
Madrid	C	7	45	Zurich	C	8	46

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	F	17	63	Jersey	F	11	52
Algiers	R	14	57	Las Palmas	C	21	70
Biarritz	S	14	57	Locarno	R	8	46
Blackpool	F	7	45	Majorca	S	17	63
Bordeaux	S	13	55	Malaga	C	13	55
Boulogne	C	9	48	Malta	C	19	66
Casablanca	C	20	68	Nairobi	C	23	73
Cape Tn.	S	21	70	Naples	R	18	64
Corfu	C	19	66	Nice	S	16	61
Dubrovnik	F	18	64	Nicosia	S	25	77
Faro	C	14	57	Oporto	R	9	48
Florence	C	16	61	Rhodes	S	20	68
Funchal	S	21	70	Salzburg	C	11	52
Gibraltar	C	15	59	Tangier	C	17	63
Guernsey	F	9	48	Tenerife	F	18	64
Innsbruck	F	13	55	Tunis	F	20	68
Inverness	C	1	34	Valencia	F	15	59
I. of Man	F	8	46	Venice	C	13	55

S—Sunny. F—Fair. C—Cloudy. R—Rain.